

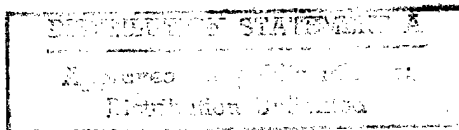
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JPRS 83973

26 July 1983

Latin America Report

No. 2712



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26 July 1983

LATIN AMERICA REPORT

No. 2712

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GOVERNMENT STABILIZES ENERGY PRICES, PRESSES CONSERVATION

Bridgetown SUNDAY ADVOCATE in English 19 Jun 83 p 2

[Text] The Pan American Health Organisation in co-operation with USAID, UWI and UNESCO, will sponsor a "Workshop on Health and Family Life Education" for teacher education in Barbados and other Eastern Caribbean countries.

The opening ceremony of the workshop is scheduled for 9 a.m., next Monday, in the Conference Room, at Accra Beach Hotel. Minister of Education, Miss Billie Miller, will give the feature address.

The specific objectives of this workshop are as follows.

- To sensitise teacher-trainers to the need for Health and Family Life Education in teacher's college curricula; --To integrate into the process of training (teaching-learning) aspects of Health and Family Life Education and skills in developing Health and Family Life Education Modules;
- To produce modules in Health and Family Life Education;
- To develop a programme of implementation and evaluation;
- To identify a cadre of persons in the various countries who will help to initiate, develop, diffuse and implement Health and Family Life Education programmes in the wider system of education.

Government is fully committed to energy conservation and would like to see consumption patterns more directly related to the level of economic development of the country.

To encourage this Government will be sponsoring a National Energy Awareness Week later this year to solicit the fullest support from the public and private sectors in its energy conservation project.

This was stated by Senator Clyde Griffith, Ministry of Energy, as the National Energy Advisory Committee held its third meeting to discuss the recently embarked upon energy conservation project of the Ministry of Finance and Planning Energy Division.

This World Bank assisted project aims to provide Government with the technical assistance in developing and pursuing energy conservation programme within a comprehensive energy policy framework, backed by the provision of trained Barbadians to carry out any energy conservation activities.

Mr. Griffith in his opening remarks noted that inefficiency in the consumption of energy was a major concern of Government as it had serious implications for the country's import bill.

The Minister explained that in the recent Budget, the Government took the decision to stabilise the price of such products as gasoline and diesel on the one hand, while passing on the reduction in oil prices to low income groups and pensioners in the form of reduced prices of kerosene and electricity.

Mr. Griffith also said that the benefits derived by the Barbados Light and Power Company had been passed on to the consumer in the form of lower fuel charges.

This was supported by Mr. Frank McConney of the Barbados Light and Power Company who indicated that for the first time the fuel charge had fallen below 10 cents per unit.

Mr. McConney also explained that Barbados Light and Power was presently looking at strategies to shift to lower cost fuels for industrial users in low peak hours in an effort to further conserve energy.

With respect to cheaper sources of energy, Mr. Griffith noted that Cabinet had recently advised that the National Petroleum Corporation should explore the possibilities of offering incentives to industrial users to increase the use of natural gas.

CSO: 3298/734

JULY DECISION EXPECTED ON FUTURE OF MOBIL REFINERY

Bridgetown BARBADOS ADVOCATE in English 21 Jun 83 p 1

[Text]

The Barbados Government is looking into the possibility of closing down the Mobil oil refinery in Barbados and a Cabinet decision on the matter is expected by July.

Senator Clyde Griffith, Minister with responsibility for energy said in a radio interview that Government has received a few studies which suggested that in the final analysis the refinery should be closed and the importation of all finished products should be encouraged.

He said that on receipt of a final study on the refining operation in Barbados a Cabinet decision would be taken on the matter.... "I believe that sometime in July this entire matter will be taken to Cabinet and Government will have to make a decision on the future of the refinery in Barbados".

Senator Griffith said that the refinery operation in Barbados got its life from a

25 year agreement dating back to 1962.

He said in the Voice of Barbados interview that this agreement which might have been satisfactory in 1962 certainly was not in the best interest of Barbados in 1983.

He said that in the face of what was happening internationally, with the excess refining capacity worldwide, a serious step has to be taken as far as the refinery was concerned.

Senator Griffith said that even though the refinery was a captive refinery in the sense that it was not in competition with any other, because of its size it had to be subsidised in some form or other.

He said too that though there was a guarantee of supply through the refinery agreement, one had to think in terms of security of supply at a lower cost and it was that that was exercising the attention of Government at the moment. He said that Government was seriously

looking at whether or not it could secure supplies from some place else at a lower cost.

A study was also looking at what would happen to the 50 to 55 people now employed at the refinery.

Senator Griffith said that he was satisfied with the assurances given in Trinidad that that Government was prepared to guarantee the supply of the finished product to the entire CARICOM market.

He said: "I have made my position clear to the CARICOM Energy Ministers. Within the context of a regional energy action plan we must perforce rid ourselves of some of the refining capacity in the Caribbean.

"There can be no case made out for holding on to excessive refining capacity in the Caribbean in a free market and I believe that in the long run, or even the short run common sense will prevail," he said.

PDVSA OFFICIAL DISCUSSES ORINOCO OIL BELT PROJECT

Caracas EL UNIVERSAL in Spanish 26 May 83 p 2-1

[Article by C.R. Chavez: "Orinoco Oil Strip Programs Not Suspended"]

[Text] Instead of 1 million, the corrected and adjusted target now is 500,000 barrels per day of installed crude production capacity in the strip by the end of this century. It is important to make sure that the social-economic and environmental development of the region to be involved in petroleum operations will be planned carefully. Another important fact is that, between 1979 and 1982, that is to say, over the past 4 years, 4,810 million bolivares were invested in the programs in this strip.

The adjustments which were made in the general development strategy for the Orinoco petroleum strip do not alter the administration's and the Venezuelan oil industry's determination, by the end of this century, to reach the goal of half a million barrels per day in installed production capacity at various geographic points in the strip, instead of the 1 million barrels originally planned. This reduction in the intensity and magnitude of the programs is fully justified by the adjustments that have taken place in the business of producing, refining, and selling petroleum internationally.

This was stated by the president of Venezuelan Petroleum, Dr Julio Cesar Arreaza Arreaza, when he was questioned by the newsman concerning a presumed suspension of programs in the strip. Ever since the Ministry of Energy and Mining decided to charge PDVSA [Venezuelan Petroleum, Inc.] with prospecting, analysis, and selective development in the area of the Orioco petroleum strip," said Arreaza, "a program has been carried out whose fundamental components are as follows:

- "(1) Regional prospecting with a view to determining the quantity of existing resources and defining the priority areas for production potential development;
- "(2) Research on the problem complex of exploitation, transportation, processing, and sale of petroleum from the strip;

"(3) Overall planning for the social-economic and environmental development of the region to be involved in petroleum operations;

"(4) Gradual incorporation of the development of the Orinoco petroleum strip in the industrial scheme."

During the period of 1979-1982, a total of 4,637 bolivares was invested for the following purposes: 755 exploratory wells, 14,810 kilometers of earthquake lines, 210 development wells, four collecting stations, 657 kilometers of flow lines, 2,800 kilometers of roads, 82 bridges, about 1 million man-hours devoted to research on the various aspects of the problem complex in the strip, and 1.5 million man-hours in the planning area. For 1983, we estimate a disbursement of something like 1,800 million bolivares for the following main activities:

(a) During 1983, something like 309 million bolivares will be spent on exploration, including 23 wells and 800 kilometers of seismic lines, as well as other items related to the evaluation of exploration activities. It is estimated that regional exploration will be concluded in the area during the current year as a result of this effort.

(b) The Guanipa 100 + de Meneven A.A. [Incorporated] plan is going forward and, by 1983, four pumping stations will be in operation to handle an output of 20,000 barrels per day. For 1983, we estimate spending for this plan amounting to something like 675 million bolivares and, overall, during the next 5 years, the estimated investment in terms of present-day bolivares will be 3,710 million bolivares. Right now, the output connected with this plan is 10,000 barrels per day.

(c) During 1983, something like 396 million bolivares will be spent in the area of Cerro Negro, dealing with the development and construction of two experimental production modules which, by 1984, will pipe some 30,000 barrels of petroleum per day into the current systems of Morichal-Jobo. The construction of the processing plant has been postponed. This will permit a pause for the purpose of generally reviewing the processing and refining plan for crude from the Orinoco petroleum strip, considering aspects such as its role within a possible new refining complex in the country's eastern part and its compatibility or incompatibility with the crude mixing policy.

Right now, the design of the temporary bridge over the Orinoco River, to be built opposite Ciudad Guayana, is going forward.

(d) The Orinoco petroleum strip continues to be a selective research and development project and for this purpose:

(1) The INTEVEP [Institute of Venezuelan Petroleum Technology] continues to assign high priority to the strip in its research work to the point where 50 percent of the effort by its project department is devoted to the strip (approximately 132 million bolivares for 1983).

(2) Next to Camp Jobo, an experimental treatment plant will be built during 1983-1984, which will constitute the park of pilot plants of the INTEVEP and of the industry as a whole in the heavy crude processing area; this aspect is of tremendous importance in the future sales of growing volumes of this type of crude. It is estimated that the 1983 spending for the construction of the plant will come to 55 million bolivares.

(3) Through the Venezuelan-German Agreement, efforts will be continued to conduct research dealing with the improvement of heavy crude from the strip, the burning of heavy residues, compacting-subsidence in development projects, problems of environmental contamination and protection, steam transport, etc. These investigations will be conducted with a budget of something like 30 million bolivares (for the Venezuelan part) during the period of 1983-1985.

(e) In the Zuata-San Diego region we will continue with the evaluation through a steam injection pilot testing program. During 1983, this will represent a spending item of 514 million with a disbursement of 126 million bolivares for that same year.

(f) We will continue the planning effort required to prepare adequate instrumentation for the territorial arrangement scheme recently concluded with the MARNR [expansion unknown] and thus to achieve good coordination of petroleum development activities with the rest of the social-economic, environmental, and urban activities in the region; the estimated spending for this purpose comes to 65 million bolivares for the period of 1983-1989. This activity will be reflected in a new PDVSA-MARNR agreement with PDVSA having to spend something like 20 million bolivares during the period of 1983-1985.

(g) An agreement will be signed with EDELCA [Caroni River Electrification Project] to supply the area of the strip with hydroelectric power from the Guri [River].

Finally it must be pointed out that the plan sketched here constitutes a reaffirmation of the premises and outlines of the past petroleum industry planning cycle and that the adjustments made here--although they do affect the activity and spending aspects--do not change the basic orientation of the plans in the strip.

5058

CSO: 3348/435

CARIBBEAN MANUFACTURERS COUNCIL INAUGURATED

Bridgetown SUNDAY ADVOCATE in English 19 Jun 83 p 1

[Text] The Caribbean Manufacturers Council was formally launched yesterday with the head of the Barbados Manufacturers' Association (BMA) underlining the need for the regional sector to foster export manufacturing, higher levels of employment, and greater import substitution.

Mr. Henry Vieira, the BMA's president, also said that the CMC will not in any way cause any divisions within the Caribbean Association of Industry and Commerce (CAIC).

He said the objective of the CMC "is to get the region's manufacturers together on a meaningful, and hopefully regional basis, to organise ourselves into promoting the interests of the manufacturing sector on a regional basis."

Mr. Vieira said also that it was intended that the council co-ordinate regular meetings of manufacturers.

The CMC is to operate under the aegis of the CAIC, and according to the BMA president, the manufacturers intend to use CAIC's established status within Caricom.

This would ensure that "our views get an official hearing and influence the appropriate decision-making powers," he noted.

The meeting, held to launch the CMC, recognised that the new organisation was essential in order to strengthen the contribution of the regional private sector to the solution of social and economic problems.

Among the topics discussed were the terms of reference of the CMC; its structure and scope of work; and its relationship to the CAIC.

Another meeting of the new body will be held shortly to discuss the broad range of issues which confront the private sector of the region.

CSO: 3298/735

CARIBBEAN TOURISM BODY REPORTS GENERAL UPTURN

Bridgetown SUNDAY ADVOCATE in English 19 Jun 83 p 2

[Text] CARIBBEAN tourism trends in the first part of 1983, showing a general upturn in the industry, reflect growing optimism in the United States that economic recovery is around the corner, according to the Barbados-based Caribbean Tourism Research Centre (CTRC).

CTRC, in its latest "Statistical News" publication, said these sentiments, coupled with reduced air fares and more seating space for the Eastern Caribbean, would have "a major positive impact" on regional tourism for the remainder of the year.

It cautioned at the same time that while things were looking bright in the visitor flow from the United States, the continuing strength of the U.S. dollar was a cause for concern in the European market.

"This is especially the case for those countries in the Caribbean who have tied their currency to the U.S. dollar, and who are coming up against strong price competition from countries with weaker currencies," CTRC said.

Statistics released by the regional agency showed a general turn-around in the regional tourism sector from a negative position last year to a positive one this year.

Barbados which ended 1982 with a 13.5 per cent falloff in tourist arrivals, up to March had recorded a three per cent increase. An estimated 94 637 holidaymakers were in the island over that period.

But it was the Bahamas, closest of all regional destinations to the United States, that had the biggest slice of the tourism cake--469 000 visitors or an 8.9 per cent increase over the corresponding January-April period in 1982.

Antigua-Barbuda, another popular regional destination, recorded a 13.8 per cent rise over the period under review when 42 436 holidaymakers dropped in compared with last year.

Bermuda, also close to the North American continent, had a 21.8 per cent increase in visitor arrivals between January and April. An estimated 67 428

persons holiday there, shoring up the sector which is that island's biggest foreign currency earner.

Jamica, whose tourism suffered in the late 70's largely due to violence, continued a path of recovery, registering a 15.7 per cent increase in the first four months of the year, when 63 805 tourists visited.

Dutch speaking Curacao, though attracting 22 622 visitors had a 18.9 per cent decline between January and April, according to the CTRC figures.

Things were not bright also for St. Vincent and the Grenadines, St. Kitts-Nevis, Montserrat, and to a lesser extent, the U.S. Virgin Islands, which all recorded declines in arrivals over the period.

In the case of St. Vincent which attracted 6 434 holidaymakers, the fall-off was estimated at 111.1 per cent while for St. Kitts-Nevis, it was 18.9 per cent. An estimated 8544 tourists were there.

Montserrat had a 11.3 per cent decline, and the U.S. Virgin Islands a 2.9 per cent. These islands however were visited by 146 308 persons over the period.

As for cruise ship arrivals, CTRC said these showed a mixed pattern so far in 1983, with most of the larger ports reporting an upturn in business.

The Cayman Islands, it said, reported an increase of nearly eight per cent between January and March, while Jamaica had a 23.5 per cent rise in January alone.

The Bahamas had a 30 per cent increase between January and April and the U.S. Virgin Islands--the most popular Caribbean port according to a recent CTRC survey showed a three per cent upswing.

On the other hand, Barbados and Antigua-Barbuda recorded declines of 11 per cent and 42 per cent respectively between January and March, CTRC said.

CSO: 3298/735

DISCUSSION OF EMERGING BLP, DLP ELECTION CANDIDATES

Bridgetown THE NATION in English 17 Jun 83 p 22

[Article by Neville Martindale]

[Text] THE time is fast approaching when both major political parties in Barbados will have to busy themselves with the selection of candidates for the next general election.

There is no doubt that a number of new faces will emerge on the political scene for this battle.

The qualities of the candidates, the impact of the parties' manifestos which should be in tune with the mood of the electorate at the time, can be crucial and deciding factors in the outcome of the next general election.

The drafting of the manifestos are usually entrusted to the key and brainy strategists of the parties. And the selection of the candidates is left to the shrewdest men with the fortunes of their party uppermost in their minds.

Recently, we have been hearing about nomination of candidates by party branches for the next general election.

The most recent, was in April when Mr. Lisle Austin, a City businessman, was put forward at a meeting of the City branch of the Democratic Labour Party (DLP) as a candidate for the City seat, currently held by the ruling Barbados Labour Party's Minister of Education, Miss Billie Miller.

Interest

Mr. Austin's nomination is yet to be approved and ratified by the DLP's executive council. This nomination had sparked off a great deal of interest in Barbadian political circles.

And it prompted a statement from DLP president, Mr. Branford Taitt.

He said: "In recent times, there has been much Press commentary and speculation about the selection of a DLP candidate to represent the City constituency at the next general election.

"The executive council feels it necessary to point out that it has neither selected a candidate for this constituency, nor has it completed consultations with the City branch, as required under Rule 28:2 of the party's constitution. Which reads:

'The executive council shall select all candidates for elections after consultations with the constituency branch.'"

At that DLP City branch meeting, Lyle Carmichael came second with 18 votes for nomination as the candidate, as opposed to Austin's 37 votes.

Carmichael has been a consistent, but unsuccessful contender for the City seats since 1961 when the DLP first swept the polls under the leadership of the now Opposition Leader, Mr. Errol Barrow.

On that occasion, Carmichael polled 1 019 votes and was defeated by the late veteran "City Father", Ernest Deighton Mottley, who scored 2 300 votes.

Carmichael did not seek election in 1966. But he came back in 1971 polling 1 175; in 1976 with 1 926, and in 1981 he came closest to winning the seat with 2 003, losing to Billie Miller by 26 votes.

Speculation

Much speculation still surrounds the question as to who should be the next DLP candidate for the City. Should it be Austin, Carmichael, or even the Mighty Gabby (Anthony Carter) who got 11 votes at the meeting?

Austin, 47, originally from St. Thomas, was a member of the DLP in the early days, but he broke away and ran in an election for the People's Political Alliance (PPA).

He is a virtual newcomer to City politics, and would therefore have to do much spade-work in his campaigning.

As for Carmichael, the question is being asked: Should he be tried again?

Some people think he is a spent force after toiling for so many years in the hustings, and not winning a seat. I think he can still make a go at the polls again, considering how close he came to the winning tape during the last election. But if he fails next time, he should make the personal decision to call it a day.

The Mighty Gabby hails from Chapman Lane, one of the thickly populated City districts, and rose to great popularity through his famous calypsos, including the renowned Jack.

His platform performances and crowd appeal as a calypsonian are superb; but in politics, he must realise that songs alone would not win votes. His whole style and presentation have to be quite different.

It is felt that if he runs, he will be a strong contender and give the opposite candidate "a good rub".

However, I have noticed over the years that the City seat calls for special style of campaigning that has its own character. And in it, the women in this constituency play a very dominant and deciding role.

It is really a constituency to watch.

Much Clearer

In the Barbados Labour Party camp, the situation about the nomination of a candidate for the St. Michael North constituency is very much clearer.

Ezra Alleyne who first won this seat in 1976, lost to Philip Greaves in the 1981 general election by 165 votes. Alleyne had polled 1 933 votes.

Although he has not relinquished his interest in a political career, Alleyne has indicated to the hierarchy of the BLP that he will no longer be interested in contesting a seat in St. Michael North again.

A decision was later taken to nominate Minister of Energy, Senator Clyde Griffith, to contest the seat in the next general election.

Before this, there was--as was also the case in the City--factions supporting the defeated candidate, and the one proposed for nomination.

And it was good that Alleyne, exercising his own judgement, took the decision to back out of the running for this constituency because of "private reasons".

But it is still left to be seen which constituency Alleyne will contest if he runs in the next election. I understand that he will be coming forward again then.

The BLP's Christ Church West Central branch is also working on the nomination of its candidate for this seat which was held by Mr. Maurice Ward, a hotelier, who was defeated in the last general election.

Names are surfacing for this, like in many other constituencies, but no decisive vote has been taken by the constituency branch on the candidate for nomination.

CSO: 3298/736

DEVELOPMENTS ON LABOR FRONT INVOLVE BWU, NUPW

BWU Blast at Dairy Action

Bridgetown BARBADOS ADVOCATE in English 13 Jun 83 p 1

[Text]

The Barbados Workers' Union yesterday expressed surprise at a recent development at the Barbados Dairy Industries Limited (the Pine Hill Dairy) which saw the retrenchment of some 22 workers.

The BWU said that on May 27, the Union received a letter from the Dairy's General Manager which said that some 22 workers would be severed from the company with Sunday, May 29, 1983, being given as the effective date.

"The Union is alarmed at the action of the company since at a joint meeting attended by the management, Union officials and staff at 'Unity House' on Sunday,

May 15, 1983, the Chairman announced that the Dairy would be discontinuing the distribution of milk but that the workers involved would be absorbed within the factory. This, clearly, has not been done," the BWU said.

The BWU said it must also

register its strong disapproval over the manner in which the company had sought to terminate the services of the workers involved "without there being any discussion on the company's part with the Union."

The Union said it was appalled at the way in which some employers in Barbados had been callously making additions to the rising tide of unemployed people in the country.

"We believe that some firms are taking advantage of the current economic situation to sever workers without paying any attention to either the immediate or the long term human and wider societal problems which result.

"Employers in Barbados must develop a greater commitment to the workers of this country. Profits must not be seen as the end-all", the BWU said.

The Union has written a letter to the Pine Hill Dairy deploring the retrenchment.

NUPW Internal Dissension

Bridgetown SUNDAY SUN in English 19 Jun 83 p 32

[Text]

THE National Union of Public Workers (NUPW) seems set to lose about six hundred of its members.

The recent impasse between the NUPW and the Establishments Division of Government that brought a virtual halt to the health service of this country, has now taken a turn for the worse.

Various spokes-persons in the nursing profession have confirmed that colleagues are disgruntled about the way the NUPW has handled the impasse, and four senior union delegates have confirmed that a separate nurses' union is in the making.

One authoritative source said that resignations from the 10 000-member union are expected to start shortly, and already representation has been made to four senior attorneys in Barbados to "draw up a constitution for a new bargaining group."

The nurses are claiming that the NUPW has failed to "fight" their cause satisfactorily. They claim that the first mistake was when the union accepted an unlimited period of time for the Establishments Division to settle the controversy about hours and terms of duty.

One nurse remarked yesterday that such an arrangement could mean that the dispute could go on for months, and that those nurses who went on strike would not only look like fools, but "faced the possibility of being further victimised."

The source — a senior official among the original NUPW bargaining group — said that efforts to reach the general secretary of the NUPW Joseph Goddard over the past two weeks proved futile, and this added even more fuel to the nurses' wrath.

The second quarrel with the public service union is that "it has sat idly by, and allowed the Government to deduct monies from the pay packets of nurses in the middle of a dispute."

One nurse who claimed that over \$700 had been deducted from his salary, said that nurses are generally in agreement with the argument that "any union that would allow a government to deduct money from its members' salaries in the middle of a dispute, was not competent to handle the duties, expected of a responsible trade union."

CSO: 3298/736

MANUFACTURERS CALL ON GOVERNMENT FOR BETTER SUPPORT

Bridgetown BARBADOS ADVOCATE in English 18 Jun 83 p 1

[Article by Albert Brandford]

[Text] President of the Barbados Manufacturers Association (BMA), Mr. Henry Vieira, yesterday called on Government to "reshuffle its priorities" and give at least equal institutional support and overall commitment to the manufacturing sector as it does to the sugar and tourism sectors.

Speaking at the opening of the BMA's second annual 10-day exposition of locally manufactured products--BMEX 83--at Terminal Two of the Grantley Adams International Airport, Mr. Vieira said that sugar this year will earn even less foreign exchange than it did last year and the outlook for tourism continued to be bleak.

"in contrast, we expect the export manufacturing sector to continue on its phenomenal growth pattern and continue to offer year-round employment to its 12 000 plus workforce," Mr. Vieira said. "All of this we expect to achieve on unequal terms."

The BMA boss cited as an example, the fact that the tourist promotion budget of the Government is approximately 10 times that of the budget for export promotion.

In addition, he said, Barbadian manufacturers wanting to work two or three shifts are expected to provide transport facilities for their staff, but for 300 years sugar factories have been working 24 hours per day on a multi-shift system without being asked to spend such money.

Mr. Vieira also contended that sugar producers are protected from the importation of dumped world sugar, while manufacturers of sugar-based products are not given any such consideration.

He said that much fuss had been made of Barbados' export successes, but he felt account should also be taken of the impressive contributions that local production makes in the area of import substitution, thus saving vital foreign exchange.

For example, he said, during the first eight months of last year, total imports to Barbados fell by Bds\$10.8 million from Bds\$745.3 million in 1981 to Bds\$734.5 million in 1982.

"Import substitution, is however, dependent on promotional drives like this exhibition that we have initiated here, but it has to be taken further and intensified by a number of awareness and attitudinal sessions to be undertaken by Government, the media and traditional groupings like the Church, trade unions, and, youth and women's organisations," Mr. Vieira said.

Mr. Vieira noted that a lot of fuss was made about export successes, and suggested that every effort be made to get Barbadians and regional consumers to understand that local and regionally produced goods and services were just as good, or even better than, those from outside the region.

The exhibition features products ranging from clothing, cookware and furniture to alcoholic beverages, canned meats, sauces, and building materials.

CSO: 3298/736

ADAMS EMPHASIZES DEVELOPMENT IN REMARKS AT PARTY MEETING

Bridgetown BARBADOS ADVOCATE in English 13 Jun 83 p 1

[Article by Courtney King]

[Text]

Prime Minister and Minister of Finance, Mr. Tom Adams, last night told of his Government's plans for further industrial development in this country which he hoped will provide at least 1 100 more jobs for people in the next three years.

Mr. Adams, speaking at a Barbados Labour Party (BLP) public meeting at Jackson, St. Michael, said that Government was planning to give permission for an 11-acre warehouse development at Warrens, St. Michael.

He said too that Government was getting more application for factory development in the Warrens area.

"I am expecting to see within the next three years anything like 1100 more jobs in this area....," said Mr. Adams.

The Prime Minister, who is also parliamentary representative for St. Thomas, said that already there were a

large number of jobs in the Shop Hill and Edgehill areas of St. Thomas.

He added that there was also an application for expansion near the old Vaucluse factory yard for industrial development.

Mr. Adams said that rather than crowding the buses going to Bridgetown, he was aiming at bringing the jobs to the areas where the people lived, and added: "I think that you have to look at the Government's major scheme in the light of this sort of area approach which we are bringing to things."

Mr. Adams also said that there were no doubts that unemployment had risen, and that Government has not been able to expand as it would wish to, "but the whole world is in a bad way, and Barbados has had to share some of the troubles."

"I myself think that we have weathered the storms very well," said Mr. Adams.

CSO: 3298/736

AGRICULTURAL MARKETING VENTURE IN UK HOLDS PROMISE

Bridgetown THE NATION in English 15 Jun 83 p 28

[Text] BARBADOS' agricultural sector could be getting one of its biggest breaks in recent times, when the proposed joint venture marketing company gets under way in Britain.

News of the venture was given to THE NATION last week by director of the Agricultural Commodity Trading Company (ACTCO), Anthony Ashby, while talking about the Agro Grand Market, held last Saturday.

he said: "We are having very interesting feedback from markets overseas. One of the things that holds a lot of interest for us is that we hope to set up a joint venture marketing outlet in Britain and the organisation which is interested in this venture will be represented in Barbados in about the first week in July.

"If this gets off the ground we will have a very positive foothold in Britain so that at one end we would be controlling production and at the other end we would be more or less having a face-to-face contact with marketing and sales."

Ashby said that this venture would look mainly at the tropical vegetables which were produced in Barbados and these included yams, sweet potatoes, pumpkins, okras, sweet peppers, hot peppers and all fruits.

"In fact," he said, "what we want to do is set up a Barbadian outlet in London and the other countries, and as the demand for tropical products gets greater we would seriously consider also marketing for the other Caribbean countries."

Ashby added: "This holds a lot of potential and we are very keen about it."

As to how expensive this venture would be to launch, Ashby said that it need not be so, as the company with which they were hoping to be involved already possessed the necessary infrastructure.

He said: "They are already sited in a very big marketing area that has the necessary infrastructure--warehouse space, trucks, cold storage facilities and wholesale outlets. So this type of venture would help us in that we would not have to look for heavy financial input in the initial stages. We would

virtually go in there and start operating with as little loss of time as possible."

Ashby said, too, that he was confident that local farmers could meet the demand for such a large market, and added that in the past, inconsistency of a market had frustrated them.

"They did not know how much they should produce, and when they did produce they had to throw away crops. Some years farmers throw away tonnes of tomatoes, carrots and cabbage.

"I am satisfied that our farmers are organised and equipped to produce large quantities and more and more of them are going into irrigation, which is the key factor for year-round production, and I think if we are looking to non-sugar agriculture we have to put greater emphasis on irrigation."

CSO: 3298/737

BRIEFS

FOREIGN EXCHANGE RESERVE--Barbados had \$215.4 million in foreign exchange reserves at the end of March, it has been officially announced. Central Bank of Barbados statistics show this to be \$53.3 million more than at March last year, but indicated that the level of reserves was inflated by a \$50.5 million draw down from the International Monetary Fund (IMF) in January when a \$98.6 million balance of payments agreement reached with the Fund last October. Barbados has produced another disappointing sugar crop this year, estimated at 85 500 tonnes. No sugar was exported by the end of March. The Central Bank reported that although production of electronic goods rose by 26 per cent, output of other products declined by 4 per cent as domestic demand remained sluggish in the first three months of the year and because manufacturers were uncertain about access to their main Caribbean Community (CARICOM) markets. However, a 50 per cent increase in tourist arrivals from the United States pushed arrivals in March to 32 640, a 17.2 per cent rise over March last year. [Bridgetown BARBADOS ADVOCATE in English 9 Jun 83 p 1]

CSO: 3298/737

LIBYAN ENVOY COMMENTS ON FOREIGN POLICY, PLANES' RELEASE

Brasilia CORREIO BRAZILIENSE in Portuguese 19 Jun 83 p 14

[Interview with Abdulatif Khalifa Buker, Libyan envoy to Brazil; given in Brasilia, date not given]

[Text] "Cofil al-malaf." That Arabic expression means, "Fortunately, everything is over." That is the expression most heard in the colonial mansion of an estate on South Lake where for 54 days various diplomats lived almost without sleep the unfolding of the incident involving the four Libyan planes held by the Brazilian Government in Recife and Manaus. The mansion belongs to the People's Bureau of the Socialist People's Libyan Arab Jamahiriya, the modern designation of the diplomatic representations of the regime headed by Colonel Mu'ammarr Qadhdhafi.

Its chief, Abdulatif Khalifa Buker, has the official title of secretary of the Committee of the People's Bureau. In practical terms, he is the ambassador, who held innumerable meetings with the Foreign Ministry for the release of his planes while he attended to establishing constant contact with the Foreign Ministry in Tripoli to take the measures aimed at obtaining a solution. Buker has been in Brazil a short time and during the whole episode he did not grant interviews to the press, in his opinion, in order not to jeopardize the course of the negotiations.

Finally, the ambassador broke his silence in lengthy exclusive interview with the CORREIO BRAZILIENSE, clarifying his country's doctrine in terms of foreign relations. Buker granted the interview in consideration of "the free and independent press of Brazil" which, in his opinion, was one of the three factors for the solution of the impasse.

Flanked by his principal diplomatic advisers, Matri and Nasser--their names were never heard outside the mansion throughout the whole incident in keeping with the rule of discretion rigidly maintained--Buker repeated a phrase to make it very clear that Libya wishes to close the incident once and for all:

"We believe that that episode ended by itself, that it exhausted itself."

Immediately after the interview, turning a page of the Koran, which is on a stand in the huge room immediately in front of the publications that recall

the struggle for the liberation of Libya against the yoke of foreign domination (mainly Italian), Buker looks at the green field that surrounds the embassy and considers the case of the Ilyushins definitely closed.

Buker: Solution Satisfactory

[Question] Mr Ambassador, with the incident of the Ilyushin planes over, what aftermaths may the episode have produced in relations between Brazil and Libya?

[Answer] I am granting this interview certain that it can contribute to the future of our relations. I am granting it looking only to the future because I do not want to discuss the past, particularly, to discuss what the two sides did to arrive at a satisfactory solution. The return of the planes to Libya with their cargo and with concrete guarantees on our part was the solution that completely satisfied the two sides. I would like to point out that the incident with the Libyan planes will not hurt future bilateral relations. I recognize that there was a great problem but the two sides succeeded in resolving it with wisdom.

[Question] The incident having been resolved, will Libya continue to help the Nicaragua regime?

[Answer] The Libyans are granting support to the struggle of the people of Nicaragua as a sacred cause. The Libyan people do not hide their support for the Nicaraguan people because that is part of the strategic policy of the Libyan revolution.

[Question] On what foundations is that strategic policy based?

[Answer] Libya's foreign policy is based on some established principles. In the first place, to support liberation movements and the struggle of nations to achieve their freedom. In the second place, to struggle against colonialism and imperialism in all its forms. In the third place, to stimulate a new international movement that is based on the nation's and objectives of the Third World. Those are the objectives of our foreign policy, in a general sense. In the Arab world, our doctrine is to fight for Arab unity, for the liberation of Palestine and the Arab territories. In the context of Africa, Libya believes in African unity and supports the independence of the territories that are under colonial domination. Libya is fighting to correct the wrong situation of South Africa, which is characterized by a racist phenomenon. It believes that Africa belongs to the Africans and that the problems of the Africans will only be resolved when they themselves resolve to do so. The resources of Africa must be returned to the African peoples. With regard to the Mediterranean area, Libya believes that its sea should be a zone of peace and not of international conflicts. In the context of the Third World, our policy supports the neutrality of those countries, believing that they should lead a new economic system.

[Question] In that regard, what are the lines of convergence that you identify between the positions of Libya and those of Brazil in the sense of

advocating a new international economic order such as President Figueiredo preached in his speech at the United Nations?

[Answer] That new order, which must replace the current economic system and must replace imperialism, is the real solution for the difficulties that the Third World countries are suffering at the present time. Libya supports integration among the countries of that bloc, whether in the technological area or for the common exploration of their resources. We advocate the creation of a strong movement based on our integration with the countries of the South that have the capacity to dialog with the industrialized countries of the North. On that point, we have quite clear lines of convergence with Brazil because it is one of those countries of the South that can lead the dialog with the developed North.

[Question] But, Mr Ambassador, does not the support of Libya for international terrorism in some way hurt the establishment of those lines of integration with countries that practice a different doctrine?

[Answer] At the present time in Libya there is a point that is under discussion: the definition of terrorism; it is our effort to establish the difference between terrorism and support for liberation movements. Libya is against terrorism and fights against any type of terrorism. In recent years, Libya debated a law that prohibits any type of terrorist activity and that law has stiff penalties. By the Declaration of the Establishment of the Authority of the People, of 1977, we support the liberation movements and seek by all means to continue to defend them throughout the world. We also support the exploited throughout the world and those who are fighting to put an end to exploitation. For us, that position is the most correct and true historical position. However, we see that the United States, through its various instruments, tries to defame that concept. For example, when Libya supports the cause of Namibia, the United States says that that is terrorism. When we support the armed struggle of the Palestinian people for its territory, when we support the revolution of El Salvador and the Nicaraguan regime, the United States also regards us as terrorists. That is a fabricated distortion because it is the United States that exploits other peoples, that installs missiles in other territories, that spends billions of dollars to develop atomic weapons. Therefore, we believe that it is the United States that leads and practices international terrorism, notwithstanding its propaganda disseminated throughout the world that tries to identify it as a democratic force and one of peace.

[Question] Does the supplying of weapons to the Nicaraguan regime which were held by Brazil fall into that doctrine of support for the liberation movements?

[Answer] The incident of the four Libyan planes that spent approximately 54 days in Brazil is proof that Libya supports the people and the government of Nicaragua who are today resisting U.S. threats and military provocations.

[Question] But even with the difficulties of Brazilian foreign policy accepting that doctrine of armed support for Nicaragua, can bilateral dialog develop?

[Answer] Libya believes in Brazil as an important state capable of effecting cooperation among the countries of the South and implementing the South-South dialog, particularly with Latin America. Obviously, there are different points of view between Brazil and Libya, but there are also many points of convergence and common interests. For example, we support the appeal made by President Joao Figueiredo to the United Nations for the establishment of a new world economic order. For our part, we will do everything to maintain contacts at various levels with a view to developing bilateral cooperation and strengthening relations with Brazil, whether at the political, economic, technological or cultural levels.

[Question] Is there the prospect that, in order to improve that dialog even more, Libya may be interested in a high-level government mission coming to Brasilia to restore cooperation to former normal levels?

[Answer] To confirm my previous answer, I can add that we will do everything to intensify our contacts with a view to strengthening our relations. This year, we will have the fourth meeting of the Joint Libyan-Brazilian Commission, which met for the first time in 1978 at the ministerial level and which meets once a year alternately in each country. This year, it will be the turn of Brasilia to host the meeting the agenda of which contains the whole schedule of bilateral cooperation, whether economic, technical or cultural. At the next meeting, various projects are going to be studied to speed up general cooperation.

[Question] Mr Ambassador, that cooperation is effected in a less conventional form with regard to other countries in Latin America; for example, with Argentina, supported by Libya in its struggle to retake the Malvinas.

[Answer] I would like to explain that last year Libya supported Argentina in the reconquest of part of its territory because history and logic say that the time of colonialism has already ended. It is not logical that Britain, which is in the far North should occupy islands in the far South that are not part of its territory. That was one more manifestation of that principle of support for the peoples in their struggles for liberation.

[Question] But in the case of Argentina, support took the form of the supplying of arms.

[Answer] I would also like to explain that the moment Libya decides to support the struggle of the peoples in their cause of liberation, it does not use clandestine means, which characterizes the classical support. Libya does so by means of declared and public support systematized by the various forms of cooperation. For example: Libya supported Khomeini's revolution in Iran before the Iranian people put an end to the Shah's dictatorship. In Ethiopia, Libya sympathized with the cause of the Ethiopian people for the overthrow of Emperor Haile Selassie. Today, it also supports the struggle of the Palestinian people for a territory and the movement of the people of Namibia for their liberation. All of that reflects the concept we have of support for the causes of liberation, completely different from support for terrorists and separatists in any part of the world.

[Question] And in Latin America, does Libya sympathize with the national liberation movements represented by the guerrilla organizations?

[Answer] I reply that Libya supports the popular movements that are fighting to achieve a just and free society. But in those countries, the matter is up to their people.

[Question] Returning to the plane incident, do you consider that Brazil lost in terms of image vis-a-vis the Libyan people because it held the shipment of arms destined for Nicaragua?

[Answer] The episode naturally was widely publicized, particularly in the Arab world, and in the countries of the Third World. But the method the two countries used to reach a solution erased the negative image. We have an Arab proverb that says: "Sometimes a bad thing is very useful." The episode helped us to know one another better.

[Question] At any time during the negotiations, did you lose hope?

[Answer] The negotiations went through very different circumstances. But I always held the hope that everything would be resolved. The diplomat must always believe in that.

[Question] In what type of recovery effort could Libya, which is a rich country, help us at this moment when Brazilian economic difficulties are chronic and deep?

[Answer] I believe that with an expanded exchange and with the contacts intensified at the various levels of negotiations, we may reach formulas for a more intensive cooperation if Brazil so desires. I have personal information about the degree of the economic difficulties of Brazil, which were not caused by the country but by the unfairness of the international economic order. For our part, we are open to dialog.

[Question] Mr Ambassador, which were the levels of the Brazilian Government that contributed decisively to the solution of the plane incident?

[Answer] In the first place, I would like to thank President Joao Figueiredo. And in the second place, the ministers charged with participating in the effort to find a solution to the episode, particularly the foreign minister, the air minister, the minister-chief of the Armed Forces General Staff (EMFA), the minister-chief of the Military Household and the other Brazilian friends. In the third place, I thank this country's free and responsible press, which asserts itself as one of the most important resources that Brazil has to strengthen the feeling of society in behalf of equality of opportunity, of peace, of freedom and of justice for the underprivileged.

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CSO: 3342/141

PCC LEADER VIEWS DIFFERENCES WITHIN PARTY

Bogota CROMOS in Spanish 14 Jun 83 pp 36-38

[Interview with Jose Cardona Hoyos, head of one of the two groups within the Colombian Communist Party, by Rafael Baena; date and place not given]

[Text] Jose Cardona Hoyos, a university professor born in Sevilla and a lawyer who gave up his practice 13 years ago and now teaches classes in modern and contemporary history at Santiago de Cali University, joined the Colombian Communist Party in 1946. Today, 35 years after receiving his identification card from the Central Committee, and after having served as a councilman several times in Cali and Sevilla, a deputy to the departmental assembly and representative to the House from 1974 to 1983, he is the visible head of one of the two groups into which the PCC [Colombian Communist Party] leadership is divided.

Cardona Hoyos is not a member of the party's Central Committee, having asked to be relieved after being defeated in the elections; since he is a Valle resident it is very difficult for him to get to Bogota.

However, the dispute between the committee, on the one hand, and Cardona Hoyos and two of his friends from Valle del Cauca, on the other, stems from reasons about which there has been persistent speculation in the news media. It has even been said that he accuses the PCC leadership of sponsoring the FARC [Revolutionary Armed Forces of Colombia]. This committed communist, then, is virtually outside the PCC, although the members of the Valle del Cauca regional committee, to which he belongs, think otherwise. He has until Wednesday, 15 June, to rectify his position, but like his friends, Alberto Lopez and Hector Herrera, he is not willing to do so. On the contrary, he is sticking to his arguments.

We Will Continue to Be Communists

[Question] How does the Communist Party Central Committee support the guerrillas? By what means?

[Answer] I have never said that the Central Committee is promoting the armed struggle, much less that it is organizing it.

[Question] What about statements that you, Hector Herrera and Alberto Lopez have left the PC leadership to "flirt" with the MOIR [Revolutionary Independent Worker Movement]?

[Answer] That is absolutely false. We are not flirting either with MOIR or with any other political group. We insist that, whether the party's Central Executive Committee likes it or not, we are communists, we will continue to carry out communist activities and the future will tell who is right in this matter.

[Question] The Valle regional committee has spoken of a "failure to take advantage of opportunities" on the part of the Central Committee with respect to the democratic opening. It would be good if you could explain this failure to take advantage of opportunities.

[Answer] When the 13th PCC Congress was held in December, 1980, Colombia was in an extremely serious and dangerous coup d'etat political situation, among other reasons because the Turbay administration had encouraged military action to an incredible degree. That 13th Congress proposed the thesis of a democratic opening with the idea that the first step in the country's political development, for the PCC, would be mass action, this being understood in the context of a sociological fact that no one can deny, and simultaneously with such mass action there would be an armed action by various groups and tendencies, but armed actions which themselves include a series of democratic and revolutionary demands. This is a phenomenon of combined forms of struggle. The main form of struggle, however, is the work of mass action and organization. For a while the PCC was carrying out that mass action, that democratic opening, even before the 13th Congress. For example, the human rights forums, in which the PCC cooperated intensely and quite properly, were part of that work. The first two human rights forums were given great publicity by the party, and it worked hard throughout the country to publicize the objectives of the forums among the masses. However, this was not the case with the third forum.

The B.B. Phenomenon

[Question] Why?

[Answer] This is something that should be asked and that I do not know how to answer. But evidently the fact that the third forum did not receive the same publicity is indeed a demonstration of the failure to take advantage of the opportunities in the struggle for a democratic opening and to make the people aware of a series of phenomena in Colombian public life, including that of the election of Belisario Betancur to the presidency of the republic.

[Question] What does Belisario have to do with the internal problem of the PCC?

[Answer] When Dr Betancur was elected, a plenum of the party's Central Committee was held, in July, 1982, in which the Central Executive Committee maintained in its report that the election of this man as president meant nothing other than that the regime was turning to the Right. We leaders of

the Communist Party in Valle, who were actually involved in this problem, said the contrary, because from our point of view, anything to the right of a government such as Turbay was promoting would have been nothing other than blatant fascism. So if the regime was turning toward the Right, we were in an extremely serious situation, and to tell the people this dampened their zeal for mass action, because the more they were terrorized, the less fervor they would have for the struggle; they would be impelled to fall back and go into hiding. We of the PC in Valle maintained then that the fact that Dr Betancur had been elected with such a broad margin of votes allowed him to attempt to be independent of the political parties and particularly of the sub-groups into which his own conservative party is divided. Betancur received 1.5 million votes that could not be claimed by any leadership. That was obvious. And it appears to me that he has tried, although he has not succeeded, to be independent of those other political forces and of the military, who have him somewhat besieged, to tell the truth. But the Central Committee's thesis was adopted, and we actually lost 8 months of campaigning. Eight months between the plenum in July 1982 and the one in February of this year, during which a democratic opening has begun under the Betancur administration, without a state of siege although the military continue to do their own thing in vast rural sectors of the country. However, it is true that we have won the chance for action in the streets, to hold demonstrations and meetings, and to promote mass action. But that did not have any fruitful results for the Communist Party.

Panegyric for the President

[Question] It appears that you communists in Valle are very fond of Betancur.

[Answer] The fact is that politicians have an obligation to know politicians, and Betancur is not an unknown figure. He has published books, and some of them are quite readable. He is profoundly different from other leaders of his party, and he has a different style, for which the country is grateful to him. So that no one will think that I am interested in giving Betancur a free panegyric, I must note that he has a series of faults. When I say that his election meant a change, I do not mean it signified a profound change, because he is a man of the system, a capitalist, and his measures are no more than attempts to find how to remove from capitalism the specter of the threat of social upheaval which is endangering it. Betancur has not been able to solve the social and economic problems of the country, but it would be rudely sectarian to deny the fact that there have been some changes, particularly in the style of government and in the democratic opening.

PCC Is Right

[Question] Could one speak of "revolutionary myopia" on the part of the PCC, as the term has been used in the press recently?

[Answer] It can be said that the PCC's central leadership did not know how to size up, at a certain moment, the development of events in the country.

[Question] And at one time did they know how to do this?

[Answer] I think so. I believe the PCC has almost always been right. The fact that it has not had great success does not mean that it did not properly grasp certain political circumstances and moments. For example, the PCC judged the Turbay government quite correctly and fittingly.

Connection with MOIR

[Question] There has been talk of a close relationship between the Valle regional leadership and the councilman from Puerto Berrio, Luis Angel Acevedo, who was assassinated in Magdalena Medio by the FARC.

[Answer] Neither my comrades Herrera and Lopez nor I knew that man. The statement is false and we did not say that the FARC murdered him. We think that it was, rather, a typical reactionary action by [Death to Kidnappers].

[Question] Let us talk a little bit about the possibility that the PCC, following the tendency of Eurocommunism, is attempting to become independent of Moscow.

[Answer] I do not find that expression, "become independent of Moscow," fitting. It has no connection with the current situation, because since the dissolution of the Third International, each communist party marks its own path and is independent of any political center. The CPSU does not try to impose its line on any other party.

[Question] You served in Congress for two terms; why are you not now in Congress?

[Answer] I was a candidate for the House, but the generals defeated me.

[Question] How is that?

[Answer] I would like to emphasize that the generals carried on an open electoral campaign, not for a specific candidate, but rather against certain candidates. We all saw on television the faces of Landazabal and Lema Henao, saying that we communist leaders were bandit chiefs who planned kidnappings and ordered assassinations. That is why they said week after week on television and radio and in the newspapers, and we were powerless against it.

Old Disagreements

[Question] To sum it up, then, the dispute between the Valle regional and the Central Committee is rooted in what you people feel is a lack of a sense of opportunity on the part of the PCC leaders?

[Answer] In that, and in the breakdown of the party's internal legality. Actually, our differences date back 6 years, to when a splinter group with ultra-leftist tendencies tried to take over the regional with the support of the Central Committee. They tried to throw us out, but our comrades in Valle always elected us in the end, even under the accusation of "contempt" brought by the committee. We resigned, but the members of the regional committee

would not accept that, either, because they felt that the attempt at discipline being imposed from Bogota was distorted. We still have these disagreements, especially since the dispute that arose in last February's plenum. We have until 15 June, this Wednesday, to "straighten out," but we are not going to do so, because we have nothing to straighten out. We have worked correctly in internal matters as well as in defense of the party's political line. Some very serious things are happening, such as press reports stating that we said things we did not say. I say that news reports such as those which have appeared recently are not written by in-house editors of the papers without the help of someone from the general leadership of the party, which treats us like their worst enemies. But we will not change.

[Question] Are you going to run the risk of an internal split with the support of the members of the Valle Communist Party?

[Answer] The fact is we cannot go and do a "mea culpa" for purely hypocritical reasons, so that Gilberto Vieira, Manuel Cepeda and Alvaro Vasquez will like us. It doesn't make sense to do that. We are not liquidated politically, and this is a problem which must be brought up at the national level. One day they will take the lid off what we have been saying, because it is the truth.

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CSO: 3348/485

CONGRESS APPROVES PUBLIC DEBT BILL

Bogota EL TIEMPO in Spanish 21 Jun 83 pp 1-A, 6-A

[Article by Carlos Pineros]

[Excerpts] Yesterday Congress passed on the first debate the controversial public indebtedness bill, and the political parties reaffirmed their contribution to the government's efforts at overcoming serious national problems.

The initiative, sponsored by the government, will go to the plenary of the Senate this Wednesday with modifications, mainly by the Liberal leadership aimed at keeping the money supply within its bounds.

"The government has enjoyed widespread support in Congress in seeking prompt solutions to the delicate economic problems of the state, support which will also be reflected in the creation of a propitious atmosphere for promoting the reactivation of the economy," said Finance Minister Edgar Gutierrez Castro.

On behalf of the Liberal Party leadership, former Development Minister and Senator Jorge Valencia Jaramillo made a statement to the effect that "the Liberals are the party of a strong currency, in consideration of the ravages of inflation, especially among the low- and middle-income classes."

The bill raises the ordinary debt quota the government has with the Bank of the Republic from 8 percent to 15 percent above the state's normal revenues, for a period of 2 years.

These resources are not to exceed 20 billion pesos in 1983 or 1984, and will be earmarked for covering Treasury deficits.

The bill also authorizes the Bank of the Republic to extend a special loan to the government for "economic reactivation," in the amount of 36 billion pesos, in 1983.

In addition, the bill makes it possible for this authorization to include 24 billion pesos in 1984, if by 31 May of that year the state's fiscal revenues are equal to or less than five-twelfths of the revenues brought in in 1983.

The reactivation resources may be used to make up for Treasury losses, and also to make loans for the government's budget.

The document also provides that 15 percent of the resources derived from the first 35 billion pesos earned from floating National Savings Bonds (TAN) on the market, shall be earmarked for paying the principal of the reactivation loans.

It also stipulates that the TANs may not be floated in the Bank of the Republic or in the financial system, in order to prevent any further printing of currency to cover the bonds.

The bill states that the government has an obligation to plan its spending in an orderly fashion, that spending agreements--as defined in the technical jargon of the budget--must be made for cycles greater than a month, and that they must be overseen by the Council of Ministers.

The use of the reactivation resources will be controlled by the Monetary Board and by an inter-parliamentary board.

The control by the inter-parliamentary board, the fact that the TANs will not result in monetary expansion, and the restrictions on reactivation credit for 1984, are among the modifications made by the Liberal Party leadership to the original bill.

The expansion of the ordinary official debt quota with the Bank of the Republic, from 8 to 15 percent for just 2 years, was the product of restrictions suggested by the New Liberals, through economist Gabriel Rosas Vega.

The sponsor of the initiative, former Labor Minister Rodrigo Marin Bernal, allowed the modifications, some of which he had worked on and had submitted a favorable report.

President Belisario Betancur sent an urgent message requesting that the bill be processed quickly with a view to preventing the imminent paralysis of government administration because of the sharp drop in revenues.

The General Treasury of the Nation does not have enough resources to meet the budgetary obligations of the central administration or of the departments and municipalities.

The fall in state revenues came about as a result of uncertainty among taxpayers after the Supreme Court of Justice struck down the tax reform decrees expedited last winter between December and February, on the basis of the economic emergency.

According to Minister Gutierrez Castro, the Treasury lost or failed to collect nearly 60 billion pesos during the first 5 months of the year.

To provide a complete idea of the way the reactivation resources will be utilized in 1984, the following examples are cited; but it should be noted that the 24 billion in 1984 may not ever be touched.

If government revenues in the first 5 months of next year are 100 percent greater than the national price index, those funds must not be used, according to the bill that will soon be enacted.

If in those first 5 months government revenues are less than or equal to five-twelfths of the revenues collected in 1983, part or all of the 24 billion pesos may be used.

If revenues have gone up by 25 percent and inflation is 20 percent, only 80 percent of the 24 billion pesos will be used.

Here it can be seen that an increment of 5 percent in revenues means 20 percent of the rate of inflation, which in the example cited is 20 percent. It is there that the discount is made, and only 80 percent of the quota is used.

If revenues are 30 percent higher and inflation stays at 20 percent, only 50 percent of the quota will be used, or 12 billion pesos.

The indebtedness bill last Thursday led to a temporary break in relations between Liberals and Conservatives, and between Liberals and the government.

Minister Gutierrez Castro agreed to seek a rapprochement with the Liberal Party leadership after former Finance Ministers Abdon Espinoza Valderrama, Rodrigo Botero Montoya and Alfonso Palacio Rudas warned of the danger that the bill would necessitate the issuance of some 100 billion pesos, which would break with the "strong currency" tradition the country has followed in this regard.

Once Gutierrez Castro had identified the points of agreement between himself and a subcommittee of the Central Political Committee (which is in charge of the group), the minister told the third committees of the Senate and the Chamber that it was a question of "points of rapprochement," while the Liberals understood it as "an agreement."

The upshot of this situation was that one of the articles of the "agreement" was defeated, and in its place the New Liberalism's paragraph was voted in. Then the Liberal leadership abandoned the debate and the break occurred.

Immediately afterwards, in an effort to resolve the controversy, the third committees named a subcommittee to iron out differences with the Liberal subcommittee. The agreement was formalized at 0200 hours last Friday, and yesterday the bill passed without a hitch.

8926

CSO: 3348/498

ECONOMIC GROWTH SIGNS IN INDUSTRIAL, AGRICULTURAL AREAS NOTED

Bogota EL ESPECTADOR in Spanish 20 Jun 83 p 10-A

[Article by Jose Suarez]

[Text] This year, the manufacturing industry will grow at a rate of 1 percent, and the agricultural-livestock sector will grow by 3 percent, according to predictions made on the performance of those two fronts of the national economy by the ministers of development and agriculture, respectively.

The finance minister, Edgar Gutierrez Castro, for his part, announced that the financial intermediaries have started intensive programs for credit to the national industry taken from the funds of the Bank of the Republic, which would indicate that the fear of investing and lending has been disappearing, and that the economy's state of liquidity will be used to advantage in the immediate future.

In the case of the manufacturing industry, it would be the first relatively satisfactory result for several years, and in the rural sector there would be a reversal of the negative trend that the country showed last year.

According to Ministers Roberto Gerlein and Roberto Junguito, heads of the Ministries of Development and Agriculture, those favorable prospects in two key sectors of the economy will be the result of the group of measures adopted by the government to reactivate national production.

The government spokesmen also quoted other figures to indicate that the effects of the economic policy are beginning to show results: During the first 5 months of this year, the construction area authorized for the sector's industry increased by 16 percent, and stock issues on the part of corporations increased by 255 percent; while the capital formation in this type of firm exceeded 4 billion pesos.

The performance expected of the agricultural-livestock sector was analyzed by Minister Junguito Bonnet, in an interview with EL ESPECTADOR, in which he disclosed that all the rural production associations expressed full support for the new tax system, wherein favorable treatment has been given to the agricultural and livestock industries.

The activation of credit was commented on by the finance minister, underscoring the government's efforts to lend liquidity to the economy through the various funds

and lines of credit that have been opened in the Bank of the Republic. And industrial development was examined by the development minister yesterday, in an extensive lecture which he delivered in Barranquilla, during the closing ceremony for Rotary Year 1982-83.

Agreement With Venezuela

According to Minister Gerlein Echeverria, an exchange agreement with the government of Venezuela which will solve the border trade problems to a large extent is close to achievement.

The official said that the method devised to allow the Colombian private banks to purchase Venezuelan currency in Cucuta and other border zones did not work, because the banks could not make arrangements for the exchange of bolivares for dollars, owing to the confusion that existed in Venezuela regarding the operation of the free market.

In this connection he disclosed that, at many meetings, there have been discussions of a mechanism that would make it possible to sell the bolivares purchased by the Colombian private banks to the Central Bank of Venezuela, but that the latter entity prefers an agreement between central banks, and has stated that it is willing to make it.

He said that, at the present time, they are awaiting the acceptance that the board of directors of the Central Bank of Venezuela must give in order to start defining the concrete terms of an agreement. The chief progress made consists of a favorable statement from the Venezuelan authorities with regard to establishing a procedure for the exchange of bolivares for dollars. In this way, it is expected to solve one of the major difficulties confronting Colombian exporters.

Signs of Growth

The development minister quoted some indicators from the industrial front to show that positive signs of recovery in the national economy are beginning to be noted:

"It is estimated that the performance of industrial production for 1983 could show a growth of about 1 percent, something which would unquestionably change the negative trend noted in 1982."

He said that the use of credit for development on the part of industry is encouraging. As of May, the approvals from FFI and FIP show increases of 55 and 32 percent in comparison with those of last year, and the greatest progress is shown in authorizations charged to the external lines, amounting to 182 percent.

During the first months of the year, sales of vehicles increased by 1.2 percent; the manufacture of tires for automobiles, by 3 percent; iron and steel production, by 36 percent; and that of textiles, by 12 percent. And the inventory levels for textiles may be declining, if one considers the fact that the rediscounted balances in notes issued for loans against materials in warehouse for untreated fabric declined in May from 438.3 million pesos to 273 million.

The indicators for production of sugar, and of manure and compound fertilizers, also show increments of 6.80 and 4.3 percent, respectively.

The capital formation of the industrial sector rose from 500 million to 3.47 billion pesos. This figure discloses a wholesome change of mentality that appears to be becoming entrenched in the business owning sector.

In the housing sector, urban building permits show a 16 percent increase during the first 5 months.

The amounts collected by the savings and housing corporations have increased by 32 percent, and their loans by 33.1 percent. The amount of the approved loans awaiting disbursement shows a 53.1 percent increase.

ICT [Territorial Credit Institute] has contracted for the construction of 46,307 dwellings. It is stressed that, of that total, the departments which received the most attention are Cundinamarca, with 17,130 units, and Atlantico, with 8,026 dwellings; their share of the total being 37 and 17.3 percent, respectively.

BCH [Central Mortgage Bank] had approved, in just 4 months, 11,116 loans for housing amounting to nearly 10 billion pesos.

Foreign Trade

Minister Gerlein Echeverria announced that the government would submit the bill that will restructure foreign trade to Congress for study in July. That proposal will lend flexibility to the CAT, will provide protective devices against foreign competition and provides a group of measures for reactivating that front.

He revealed that a study is currently under way within the Andean Group of the possibility of unifying the subsidies for exports, to prevent the war of incentives in which the subregional trade has been engaged.

The same bill will include an article authorizing PROEXPO to grant financing to the national construction, consulting, architectural and engineering firms which participate in international bidding competition for the supply of goods and services.

2909

CSO: 3348/510

DEVELOPMENT MINISTER VIEWS TRADE, PRICE POLICY, TEXTILE CRISIS

Bogota EL ESPECTADOR in Spanish 15, 16 Jun 83

[Article by Jose Suarez]

[15 Jun 83 pp 1-A, 11-A]

[Text] The minister of development, Roberto Gerlein Echeverria, stated that the decision by some business owners to resort to an agreement between insolvent and creditors as a solution for their problems does not mean that the country is bankrupt; and he expressed the view that the second half of this year would signal the recovery of the Colombian economy.

He announced that, during the next regular session, the government would propose to Congress deepseated reforms in the agreement between insolvent and creditors to make that expedient a device for protecting business and the honest business owner, and not for evading creditors as a result of what he termed "the bad faith of the unfair businessman."

The minister claimed that the tax reform passed by Congress was improving the nation's fiscal status, will allow for a strengthening of the productive sectors and represents a real stimulus to corporations by eliminating the double taxation.

He disclosed that the government intends to extend access to the credit lines of the Bank of the Republic in include subsectors of the textile industry which do not yet have it, and he expressed great optimism regarding the results of that industry this year.

In statements to EL ESPECTADOR, the development minister also analyzed the scope of the decisions in the area of foreign trade that the government has been making, the price policy, the status of industry in general and the control and penalty measures that have been adopted on the stock market.

The Textile Crisis

Gerlein Echeverria addressed concerns among some sectors of the textile industry to the effect that they have not found the government receptive to their problems, despite the various measures adopted to date. He explained that the variety of subsectors or industries operating in this area makes different treatment necessary.

He defined the major textile sector as the one which processes native cotton staples, noting that it is comprised of the largest companies which, he claimed, "have managed, with some difficulties, to surmount the tragic financial situation that they were showing a year and a half ago." He said that Tejicondor has procured development loans totaling 900 million pesos and currently shows a sound status, noting that Coltejer has also had considerable access to the same loans.

He commented on the ready-made clothing subsector, which he described as being in an extremely difficult stage as a result of the monetary and exchange measures adopted by the government of Venezuela. He remarked: "I think that this subsector's problem, rather than being one of financing and access to rediscount lines, is a foreign trade problem in which a group of circumstances difficult to surmount are involved. Its leading market is located in Venezuela, particularly Margarita Island. The Venezuelan Government's decision to establish a multiple exchange entailed a tragically difficult closing of markets for Colombian ready-made clothing. This subsector has a voluminous order book in Venezuela that it has been unable to pick up. Some have made advance payments to the Bank of the Republic, representing debts for them in dollars which they can hardly meet until the convertibility of the bolivar with respect to the dollar and the peso has been reestablished. So, the Colombian ready-made clothing producers are faced with the closing of the Venezuelan markets and the difficulty of paying the credit balances that they have pending in Venezuela. It is not a problem of credit, but rather of market and sales."

As for the subsector which processes imported synthetic fibers, he announced that his office would soon submit to the Monetary Board a proposal for an extension to it of access to the credit lines in the Bank of the Republic. He explained: "In any event, I think that the situations of the industries processing cotton and those processing imported synthetic fibers are not exactly the same. However, in any event, the necessary efforts are being expended, without mistreating the monetary policy, without causing excesses and based upon the real needs of the various subsectors of the textile industry, to give the latter access to the rediscount credit; on the grounds that this credit, which some have termed "rescue," involves a contract for development and a reimbursement for obligations, as in the case of the cotton processing textile dealer with which a letter of agreement was signed containing the obligations for both sides. In short, the government aspires and hopes that the different subsectors in the country's industrial sector, in accordance with their needs, and their contribution to employment and to the development of other sectors, will be able to have rational, timely access to the subsidized rediscount credit in the Bank of the Republic.

The minister subsequently expressed the conviction that the textile industry would, this year, exceed its share of previous years in terms of sales, and contribution to the industrial GDP and general GDP of the country. He added: "I think that, during the second half, sales will be reactivated, as the national economy is being reactivated and as the world economy is being reactivated."

He gave a reminder of the many difficulties confronting the sector, such as the contraband, dumping and closing of foreign markets; but he noted that companies such as Coltejer have the most advanced technology. He said: "I think that the state of excessive protectionism in the world is being overcome, and that we shall

regain foreign markets. The proper use of the device of a prior permit to rationalize imports will give that industry a more favorable status on the domestic market and will reactivate its sales. Furthermore, its debt profile has improved considerably. I think that, in 1983, the textile industry will have a better year than the previous ones."

The minister pointed out that something similar will occur in the case of Colombian industry as a whole. In the area of construction, he stressed that the UPAC system may have over 226 billion pesos in receipts and that, for this year, 120 billion is available for investment in construction. In this regard he noted that, for every peso invested in this sector, 47 centavos is spent on serving the industry and 35 centavos on the labor, "which means a reactivation of the aggregate demand."

He also said that the reactivation of certain international markets, particularly in the United States, will mean that the exports of manufactures this year will have better results than in the immediate past.

The Insolvent-Creditor Agreement

In response to a question concerning the series of agreements between the insolvent and creditors and the bankruptcies that have been taking place in the country, Minister Gerlein Echeverria declared that this does not mean the country is in a state of bankruptcy.

"No, the country is not bankrupt: neither the country, nor industry nor commerce. On the contrary, in the context of Latin America, Colombia has an advantageous position when compared with the circumstances of Mexico, Argentina, Brazil, Uruguay or Venezuela. Oil-producing Third World countries with a per capita income higher than ours are in a state of foreign debt, both public and private, which contrasts disadvantageously with the Colombian situation. Our foreign debt is manageable. This does not mean that we are not undergoing a difficult process in the external sector, or that we are not aware that our minor exports are undergoing a process of debilitation and that we must confine the debt to those sectors which the government deems priority."

He added that the hard currency receipts coming from exports of coffee and other products, including the new category of mining, "ensure a steady progress of our economy."

He emphasized: "So, the country is not bankrupt, either internally or externally. Although there are difficulties, the policy devised by President Betancur affords expectations of a major improvement in the national economy over the medium term."

The minister stressed that the passage of the tax reform in Congress "will make it possible to improve substantially the state revenue, the fiscal situation, and that of the nation's treasury and budget, and to properly organize public finances, so that the fiscal deficit can be reduced and credit policies can be implemented which will fortify the status of the supportive sector of the economy."

He then announced that the government would submit to Congress a bill to reform the insolvent-creditor agreement. The minister explained: "The government's criterion is not one of repealing the existing legislation, which is good, en

masse, but rather one of refining it, so that the insolvent-creditor agreement (which is a very modern institution the purpose of which is primarily to preserve the business firm as a production unit for society and, secondly, the good faith of that business owner who is experiencing a state of financial non-liquidity and who must avoid his failure or bankruptcy) may retrieve those original goals. The insolvent-creditor agreement cannot be a tool for evading creditors, to protect the bad faith of the unfair businessman; nor a tool enabling the business firm to decline without an attempt by society to achieve its stability. Hence, the reform that the government will submit to Congress will attempt to reinforce it, so as to protect the production unit, which is the business firm, and the good faith of the business owner whose bankruptcy must be avoided for the good of society itself and of the economy.

[16 Jun 83 p 12-A]

[Text] President Betancur's government has announced that it has reached the limit of the incentives that the Colombian state can grant for exports, and that the fundamental problem in this sector does not lie in greater stimulation, but rather in the excessive protectionism being experienced by the Western economies.

As a result, it precludes increases, during 1984, in the maximum ceiling of the Tax Credit Certificate (CAT), one of the major devices for promoting minor exports, concerning which the government will have to make a decision over the next few months.

In the second part of the statements made to EL ESPECTADOR, the development minister, Roberto Gerlein Echeverria, remarked that Colombia has not closed its commercial borders, but rather has streamlined imports so as to prevent the country from continuing to waste its hard currency on superfluous goods and services, as had been happening in the immediate past with the policy of lifting restrictions on imports.

The minister stated that the decisions of the National Securities Commission regarding associations of the Grancolombiano Group were not based on any political motivation, but rather on fulfillment of legal provisions for protection of the securities market.

Gerlein Echeverria said that, with the passage of the tax reform in Congress, the conditions are present for the reactivation of the corporation, the mainstay of business development in Colombia, through the series of incentives established therein, particularly the elimination of double taxation.

Similarly, the minister proclaimed the success of the policy of agreement in the area of prices, which has been progressing with national industry, and he indicated how the readjustments in those products considered as basic have been lower than the inflationary curve which, in turn, is declining.

Exports

The official addressed concerns over the performance of exports and the possibility that the government may increase the incentives for them through the CAT:

"The journals specializing in economics have claimed that one of the reasons that the CAT has not produced all its effects lies in the fact that the 15 percent amount stipulated as a maximum ceiling for support and subsidies to exports that may receive them is insufficient to neutralize the internal inflation being experienced by the peso, relating to the appreciation of the currency with respect to the dollar. The peso's appreciation exceeds the support from the CAT and, consequently, since that gap has not been successfully closed, the CAT has proven less effective than had been anticipated."

Nevertheless, he stressed that the CAT has been effective in the area of exports of agricultural and livestock products.

He said that this device should not be viewed in an isolated fashion, inasmuch as "there is a combined support for exports which may possibly reach the limit that the country can grant within its fiscal and legal potential." He added: "Last year, the government made a fiscal sacrifice of from 3 to 8 billion pesos, when we were suffering from an acute fiscal deficit. These are the fiscal limits available for the CAT."

He gave a reminder that there are other supports for exports, such as PROEXPO's [Export Promotion Fund] after-shipment credit, the subsidy that the entity itself grants for the shipment of products to the Caribbean and, in general, the financing for exporters, the Vallejo Plan and the rate of exchange, the movement of which has brought the annual devaluation from 19 to 25 percent."

He noted: "This combined support for exports comprises an entire major structure for seeking new markets and not losing those achieved to date. The main problem with exports is not the rate of exchange, nor the amount of the subsidies, nor the levels of credit, but rather the protectionism being experienced in the Western economies. There is a group of quantitative and qualitative measures adopted by our leading partners in the external sector of the economy, which have nipped Colombia's exporting opportunities in the bud. Decisions are simply made not to import, and there is no importing. There are simply no purchases, and then world trade undergoes a wave of protectionism in which each state seeks to protect its unemployment rates and to battle inflation, impeding the possibilities for Western trade. One of the main points for discussion at the Williamsburg meeting was that of finding mechanisms and procedures that would help to achieve an opening in world trade. President Betancur's government, which has been very gravely concerned about gaining new markets, has met with those tariff barriers which have reduced our exporting capacity."

Curbing Waste

He was asked: "How can one explain a country's wanting to increase its sales abroad and, at the same time, cutting off its imports, as is happening in Colombia?"

"No, we have not cut off our imports; we have streamlined imports. Through the mechanism of the prior permit, which is a vastly important regulatory tool, we have opted to establish a priority order of requirements for industrial and commercial development, so as to decide which goods and services to import. The country had

been wasting its hard currency on superfluous goods and services. Last year, there were imports amounting to \$7 million in just one tariff item alone, associated with social games. If you look at the list and size of the imports in INCOMEX [Foreign Trade Institute], you will be able to note that, through the opening of the Colombian economy in other years and the mechanism for lifting restrictions on imports which was in effect for a long time, it was possible to bring any kind of goods and services into the country, without count or measurement, well beyond what the country needed, or serving merely as a device to cater to the appetites of the elitist sectors of the population.

"Nowadays, we import as much as industry needs by way of raw materials, capital equipment or intermediate goods. The imports allowed by INCOMEX are slightly fewer than in previous years, but by only a very small percentage. I think that, thus far this year, they amount to only \$150 million less. So, we want those imports to be compatible with the country's economic development, with the supply of hard currency, and with the responsibility for preserving and protecting the international reserves.

"The country must make a budget for its imports and stick to it. Our hard currency is not inexhaustible. We have no coffee prices at \$2.30 a pound, nor the flourishing of foreign trade as in other times, nor is the revenue from services and transfers entering as in the past, when it amounted to hundreds of millions of dollars. On the contrary, all the revenue is declining and, as a result, we must streamline imports. Moreover, we have fulfilled our obligations as members of the Andean Pact precisely. On a very few occasions we have requested the protection clause, only in those instances wherein an industry was mistreated excessively or some area of the agricultural-livestock sector emerged overly hurt by the liberty existing between one nation of the subregion and another. We have stimulated trade with ALADI [Latin American Integration Association], and we have sought to improve the trade balance with the European Community, the United States and Asia. Colombia has realized that it must remain within the economic tendency of the world if it wants to maintain suitable technological progress and an industry that will enable it to change the social parameters of the community, as well as its economic growth and the generation of employment. The country has not closed its commercial borders. It has streamlined its imports in accordance with its needs, its development and its supply of hard currency."

Tax Reform

The development minister said that the tax reform passed by Congress and confirmed by President Betancur does eliminate double taxation and contains major incentives for corporations.

In this connection, he commented: "I believe that, with minimal restrictions, the double taxation of the corporation has been eliminated. Furthermore, I think that one of the most important decisions made by Congress in this legislature is the one involving the abolishment of double taxation by a unanimous decision, as was voted in the Chamber and the Senate. The corporation pays up to 36 percent as a maximum income tax rate; and it was stipulated that the individual or body corporate receiving dividends from a corporation may put the amount of these dividends opposite the percentage of the income bracket so as to deduct from the tax that he or it must pay the amount resulting from a comparison between the percentage in

the bracket and the amount earned by way of dividends. For example, if a person receives 1 million pesos per year in dividends from one or more corporations, and in his rate to be paid for income tax he must pay 32 percent, 32 percent of that million is granted him as a tax deduction. Consequently, the individual does not pay a tax on the dividends which were already subjected to a head tax in the corporation. This is, fundamentally, what double taxation consists of.

"In addition, as another stimulus to promote the corporations, which are a vital tool for mass attraction of primary savings and for the development of major economic projects, a sizable discount was established for the open and closed business firms without any limit, on behalf of the assets of the person receiving it. Today, anyone receiving dividends may deduct 10 percent for the first 200,000 pesos and a very limited additional percentage provided his assets do not exceed 7 million pesos. Those ceilings were ended and increments were made in the tax deduction for corporations in order to stimulate the issue of stock shares and the capital formation thereof which replaces the device of capital formation through indebtedness. Furthermore, the Business Capital Formation Fund was created, with 10 billion pesos, to finance stock purchases. These measures, with the regulation of the stock exchanges and others, constitute an entire plan for giving an impetus and protection to the corporation as a tool for the democratization of assets and for economic growth and development."

Penalties

When the minister was asked about rumors to the effect that the penalties imposed by the National Securities Commission on associations of the Grancolombiano Group for stock market speculation were based on political reasons, he replied:

"The chairman of the National Securities Commission has explained sufficiently well and with great clearness the motives and reasons for the establishment of penalties on economic conglomerates that exist in the country, during a recent period. What I can assure you of is that there has in no instance been a political motive for penalizing anyone on the part of CNV, its chairman or the General Court. We have attempted, and I believe that the country has acknowledged this to be so, to operate within the most stringent legal regulations and provisions in all our actions as members of the General Court, so as to fulfill the obligation to stimulate the securities market, to protect the third parties participating in it and to lend transparency and security to the stock market operations or those of any kind being carried out in the Colombian economy, which are subject to control by the National Securities Commission."

Prices

In conclusion, Minister Gerlein Echeverria stated that the policy for agreement with national industry in the area of prices has been a complete success; and he expressed, indirectly, disagreement with the direct control thereof.

He said: "I am very much gratified that, through the agreement, we have been able to succeed in putting the prices of industrial products and housing on levels that warrant the belief that the traditional expectations of inflation in these economic areas have been successfully precluded."

2909

CSO: 3348/510

EXPANSIONIST MONETARY POLICY LEADS TO INCREASED LIQUIDITY

Bogota EL SIGLO in Spanish 21 Jun 83 p 9

[Text] The monetary liquidity of the national financial system has begun to increase as a consequence of the expansionist policy pursued by the government in this area, for the purpose of expanding the money supply so that more money would be channeled toward the sectors of production and conditions would be propitious for lowering interest rates.

According to the latest Superbank report, during the week between 23 and 27 May 1983, the money supply, consisting of the money in circulation plus deposits in checking accounts, grew by 2.645 billion pesos to a total of 307.037 billion pesos. So far this year the money in circulation has contracted by 5.7 percent, 0.6 percent lower than the same period of 1982. It is important to note, however, that during the last few weeks the contraction was above 6 percent, and now it is lower. This is a clear indication that the expansionist policy announced by the government is taking effect.

It is estimated that in the coming weeks the financial market will experience greater liquidity, thanks to the entry of various liberalized resources on the market, along with the loans granted by the various funds created in the Bank of the Republic, and the special lines of credit given to certain sectors of production and commerce.

Meanwhile, deposits and investments continue to grow significantly in the Savings and Housing Corporations, with indices of 31.9 percent and 16.1 percent, respectively, so far in 1983.

Deposits in the banking system, on the other hand, have grown by 9.2 percent; investments have risen by 9.4 percent, and as of 27 May the system had a surplus of 3.36 billion pesos in its reserves.

Figures

Here are the figures provided in the latest Superbank report:

---Between 23 and 27 May 1983, the banking system showed a surplus of 3.36 billion pesos in its average weekly reserves position, with a decline of 1.407 billion during the week.

Average cash on hand as of 27 May 1983 was 141.69 billion pesos, a drop of 848 million during the week.

—The average requirement was 138.33 billion pesos, an increase of 559 million over the requirement for the previous week (137.771 billion).

—The total amount of principal resources in the banking system as of 27 May 1983 was 441.641 billion, an increase of 4.682 billion pesos (1.1 percent) during the week, as follows: checking accounts 3.159 billion (1.5 percent); time deposit certificates 1.006 billion pesos (0.7 percent); and savings 517 million (0.6 percent).

So far this year, from 29 December 1982 to 27 May 1983, the increase has been 37.347 billion pesos (9.2 percent), distributed as follows: checking accounts 22.291 billion (11.4 percent); savings 3.977 billion (5.2 percent); and time deposit certificates 11.079 billion (8.4 percent).

For the full year, from 28 May 1982 to 27 May 1983, the increase totaled 53.799 billion pesos (13.9 percent).

Interbank loans received by the banking system for the week in question amounted to 3.071 billion pesos, an increase of 563 million.

—The group of principal investments by the banking system for 27 May 1983 totaled 429.219 billion pesos, an increase during the week of 2.763 billion (0.6 percent), as follows: loans and discounts 1.864 billion (0.5 percent); voluntary investments 872 million (1.7 percent); and various debtors 27 million (0.1 percent).

So far this year, from 29 December 1982 to 27 May 1983, the increase has been 36.959 billion (9.4 percent), distributed as follows: various debtors 3.873 billion (13.6 percent); voluntary investments 7.729 billion (17.5 percent); and loans and discounts 25.357 billion (7.9 percent).

For the full year, 28 May 1982 to 27 May 1983, the increase was 90.424 billion (26.7 percent).

—Debts of doubtful recovery in the banking system as of 27 May 1983 amounted to 26.814 billion pesos, an increase of 516 million during the week.

Official debts more than a year overdue as of 27 May 1983 showed a balance of 3.737 billion pesos.

—As of 27 May 1984 the money supply reached 307.037 billion pesos, an expansion of 2.645 billion, equivalent to a rate of 0.8 percent over the balance of 304.392 billion calculated for last 20 May.

The factors in the expansion of the money supply for the week from 20 to 27 May were the following: notes from the Bank of the Republic in circulation, with an increase of 221 million pesos, and checking account deposits in the banking system, 2.774 billion.

So far this year, between 29 December 1982 and 27 May 1983, the contraction of the numeraire has amounted to 5.7 percent, the reverse of the results obtained during the previous period, when there was an expansion of 0.6 percent.

A look at the annual change reveals that between 28 May 1982 and 27 May 1983, the expansion of 45.755 billion pesos is equivalent to a rate of 17.5 percent, the lowest rate in the last 4 years.

Corporations

—The balance of deposits in the constant value system was 226.710 billion pesos as of 27 May 1983, an increase of 2.034 billion (0.9 percent) during the week. So far this year (29 December 1982 to 27 May 1983), the total amount of deposits has gone from 171.847 billion to 226.710 billion pesos, an increase of 54.863 billion (31.9 percent). For the full year (28 May 1982 to 27 May 1983), the increase in deposits amounted to 47.7 percent, equivalent to 73.169 billion pesos.

—Deposits among corporations totaled 5.919 billion on 27 May 1983, 277 million pesos less than the previous week's figure.

—Favi bonds due to excess liquidity totaled 20.131 billion pesos on 27 May 1983.

—Deposits by national public establishments amounted to 19.202 billion pesos as of 27 May 1983, a drop of 568 million (2.9 percent) during the week. From the 29 December 1982 total of 14.634 billion pesos, the figure climbed by 4.568 billion, 31.2 percent.

—The balance of approved loans pending disbursement was 27.715 billion as of the end of the week from 20 to 27 May 1983, with the following components: builders, 21.829 billion pesos (78.7 percent); individuals, 4.896 billion (17.7 percent); and industrialists, 990 million (3.6 percent).

—The constant value system made treasury disbursements in the amount of 1.573 billion pesos to meet loans approved before the date of this report. The disbursements went to: builders, 1.277 billion; and individuals, 296 million pesos.

—Portfolio recoveries dropped by 40 million pesos (7.9 percent), totaling 465 million on the date in question.

—The total amount of loans in the constant value system reached 183.972 billion pesos as of 27 May 1983, with the following increases: weekly 2.319 billion (1.3 percent); so far this year, 25.571 billion (16.1 percent); and for the full year, 45.786 billion (33.1 percent).

8926

CS0: 3348/498

BETANCUR ANNOUNCES NEW BORDER AREA DEVELOPMENT POLICY

Bogota EL ESPECTADOR in Spanish 18 Jun 83 p 10-A

[Excerpts] Yesterday, President Belisario Betancur put into effect a new government policy for the development of Colombia's border zones, beginning with the Venezuelan one.

The head of state made the announcement at Cucuta, upon confirming the law whereby the Border Statute was created.

It had been approved by the Congress at the beginning of this week, based on a bill devised jointly by the government and an emergency committee on which spokesmen from the departments, provinces and administrative territories governed by commissioners located in the areas bordering Venezuela, Brazil, Peru and Ecuador served.

Colombia and Venezuela

Yesterday, President Belisario Betancur said that Colombian-Venezuelan relations "must continue to be an example of coexistence and solidarity between brothers, and never have the possibility of a quarrel that would give rise to rancor."

During the main functions commemorating the 250th anniversary of the founding of Cucuta, a town bordering Venezuela, the chief executive cited Colombian-Venezuelan confraternity, noting that the golden rule should be understanding between partners in a solidary, common enterprise, "so that everything will be treated with the fortifying light of reason and the creative enthusiasm of the will."

Enlightened Attitude

After stressing the importance of coexistence and solidarity between Colombia and Venezuela, the head of state remarked: "The circumstantial realities, which are not always desirable, are just that, circumstantial, and by their essence changing."

He added: "It is our obligation to moderate them, to lead them toward mutual satisfaction; not to allow ourselves to be controlled by them; not to yield to the pressure from them, toward emotional areas conducive to contradictions difficult to surmount. On the contrary, we must maintain an attitude which is simultaneously enlightened, enthusiastic, clear-headed and ardently from the heart, for dealing with and solving our mutual problems, with the golden rule of understanding between partners

in a solidary, common enterprise, so that everything will be treated with the fortifying light of reason and the creative enthusiasm of the will."

Speech

Yesterday, President Belisario Betancur confirmed the law on the Border Statute, and paid tribute to Cucuta on the 250th anniversary of its founding.

The head of state delivered a speech in the Norte de Santander capital, the following being part of its text:

The Border and the Bridge

"Frontier town and bridge of unity; herein appears the potential conflict, but also the emerging solution, inspired by the common history, instructing us and demanding service to fraternity above selfishness.

"Colombian-Venezuelan relations, which materialize in Cucuta in everyday reality, sometimes a source of satisfaction and at other times of dislike, must continue to be an example of coexistence and solidarity between brothers, and never have the possibility of a quarrel that would give rise to rancor.

"The circumstantial realities, which are not always desirable, are just that, circumstantial, and by their essence changing. It is our obligation to moderate them, to lead them toward mutual satisfaction; not to allow ourselves to be controlled by them, not to yield to the pressure from them, toward emotional areas conducive to contradictions difficult to surmount. On the contrary, we must maintain an attitude which is simultaneously enlightened and enthusiastic, clear-headed and ardent, from the heart, for dealing with and solving our mutual problems, with the golden rule of understanding between partners in a solidary, common enterprise, so that everything will be treated with the fortifying light of reason and the creative enthusiasm of the will.

The Call to Action

"In view of current troublesome situations arising from external causes, the government wishes to attest to its desire to serve, its intention of succeeding, and its solidarity with Cucuta; as well as its concern for the exogenous phenomena that are affecting the town in an immediate manner; and to attest to the fact that we shall continue to think and act with that clearcut decision.

"We know that Cucuta has a vital, twofold concern: its waterworks and its sewerage system, which have been projects postponed for many years, and concerning which we realize that every day that passes without having them completed will mark another detriment to this great town, but to the country as well; because Cucuta is a nerve center for our image, our sovereignty and our own nationalist pride. We cannot resign ourselves to letting our fellow countrymen on the border feel that their brothers on the other side are better treated because of the fact that they were not born in Colombia.

"Now then, we have analyzed the matter objectively and without ambitions other than to recover the state's credibility and to do honor to its fundamental obligation to

the community; and, with that sole criterion, I am stating to you the problem and its solution:

"1. The cost of the entire project for the waterworks and sewerage system is estimated at 1.8 billion pesos, at 1983 prices.

"2. The firm Hidrosan Ltd , responsible for the studies and design of the waterworks, and the firm Camilo Silva & Co, responsible for the studies and design of the sewerage system, are working for the prompt submission of the information required for opening the bidding on various phases of the project, which could be awarded before the year's end. They are the following:

"Water intake in Termo-Tasajero;

"Pumping station at Termo-Tasajero;

"Discharge line 39 inches in diameter between Termo-Tasajero and the treatment plant in Carmen de Tonchala;

"Treatment plant in Carmen de Tonchala;

"Gravitational line 42 inches in diameter between the treatment plant and the pumping station in Cucuta;

"Elevating station for treated water;

"Conduit line between the elevating station and the tank at Juan Atalaya;

"Right trap on the Pamplonita River; and,

"Extension of the Bogota canal.

"3. The designs for the other phases of the project, particularly the construction of the new water distribution system for 2,400 liters per second, and for the sewerage system components, will be delivered at the beginning of 1984, and the work will begin during that year.

"4. The total time for execution of the project, which had been estimated at 4 years, will be reduced to 2 years.

"5. Considering the amount of the investment required and the urgent nature of the project (as well as its national importance, not merely municipal and regional importance), the government will become associated with 800 million pesos, so that the Central Mortgage Bank's Financial Fund for Urban Development will grant a loan of 1 billion pesos to make possible the full completion of the project. This decision was approved by the Monetary Board yesterday.

"It is obvious that the action in which the state is involved (with all its instruments, on the national, departmental and municipal levels) will not be sufficient without the convinced and constant cooperation of the political leaders, the civic and economic groups and each and every one of the citizens of Cucuta. This is a

project for everyone, and for the benefit of everyone, but its execution could become jeopardized by the lack of understanding or inefficiency of a single institution, or by the blameworthy negligence of any individual.

Housing for Cucuta

"Moreover, the combined action of the Central Mortgage Bank, the Territorial Credit Institute and the Savings and Housing Corporations has already gone into effect to provide low and medium-cost housing programs of major scope during the current year.

"As of 31 May of this year, the Central Mortgage Bank had approved loans amounting to 1.15 billion pesos for 1,100 solutions. Emphasis should be placed on the financing of the Cucuta Urban Development Company, totaling 298 million, for 184 apartments, as part of a total program for 893 solutions. Mention should also be made of the loan of 612 million for "Tasajero Construction" and "Prados del Norte Construction," to be used for 679 solutions with less than 1.5 million pesos, as part of projects the total execution of which will offer 2,050 new dwellings.

"The other Savings and Housing Corporations operating in Cucuta, for their part, have ensured the financing of 400 housing solutions to date, with loans of nearly 300 million pesos.

"It is only fair to acknowledge that the lack of waterworks and a sewerage system for the mass housing plans, mainly those of the Territorial Credit Institute, is being surmounted with imagination; until the major solution that the government has committed itself to providing arrives. For example, the Territorial Credit Institute and the Ministry of National Defense have now agreed on the excavation of large deep wells in the Torcoroma area, to make it possible, before the end of this year, to begin an ambitious program of lots with services and of multi-family units for nearly 15,000 families which, largely through directed self-construction and with funds from the entire savings and housing system, will find their own housing there during the next 3 years.

"All the foregoing represents insured investment funds, during the next 12 months, totaling nearly 1.5 billion pesos, which will mean their own housing for 1,500 low and medium-income families.

"Finally, I am pleased to report that the Urban Development Fund has just paid out a loan of 70 million pesos to Norte de Santander for waterworks and sewerage systems in 13 municipalities, and that another request for 290 million will be approved to complete the previous program and to open new fronts in other municipalities.

"The town which was organized with such categorical codes of regulations by Dona Juana Rangel de Cuellar and Don Juan Antonio Villamizar, and which for 250 years has set for Colombians a very lofty example of dignity, can be certain that the government will continue to be heedful of its difficulties; that the entire country will be willing to support it; that the nation is on its side, in its tribulations and its joys, such as this birthday celebration, at which all of us fellow countrymen are united with the Cucuta residents, in a unanimous chorus of praise to the one that is the baptismal font of the republic, the fortress and temple of our

native land, a living symbol of its faith in the God of nations, and testimony of what they can accomplish (carried out with magnanimity and perseverance); the best virtues of its people, when they rise up (as the person from Norte de Santander and Cucuta has) from the fury of nature or from economic cataclysms, to sing the resounding anthems of their native land."

2909

CSO: 3348/511

GUTIERREZ ALLAYS FEARS OF MONETARY EXPANSION FUELING INFLATION

Bogota EL ESPECTADOR in Spanish 18 Jun 83 pp 1-A, 12-A

[Text] According to the policy agreement reached with the Congress on Thursday, this year President Betancur's government will use a total of 77 billion pesos from issues made by the Bank of the Republic to finance the national budget, through the regular and special lines of credit to which it is entitled in the issuing institution.

The finance minister, Edgar Gutierrez Castro, upon explaining to EL ESPECTADOR the satisfactory results attained with all the political persuasions represented in the Congress after a marathon round of talks which ended at 0100 hours Friday morning, stated that with this financial "injection" into the budget currently in force the status of public spending has definitely been cleared up.

The finance minister gave assurance that the multimillion amount to be used by the government does not threaten the country's monetary budgets; and, in this regard, he dispelled worries on the part of certain politicians and former state ministers who had warned of dangerous effects of expansion.

Based on the agreements officially concluded with the political parties, next Monday there will be an affirmative vote by the congressional committees for economic affairs on the bill authorizing the government to increase the regular line of credit in the Bank of the Republic and to use an additional or special line of credit.

Gutierrez Castro declared that the use of those lines of credit will be implemented as follows:

"This year, use will be made of funds totaling 41 billion pesos charged to the regular line of credit. This amount is broken down into 21 billion already used and 20 additional billion which will be authorized by the Congress once the bill in question is converted into a law of the republic.

"For 1984, the government's regular line of credit in the issuing institution will be used in similar amounts.

"Of the special line of credit, the government will use a total of 36 billion pesos this year, once the Congress has transacted the authorization bill. These funds

are the ones relating to the special credit line for economic reactivation, and they will be allocated primarily as an addition to the budget for investments and economic development.

"In 1984, 24 billion pesos from the aforementioned special line of credit will be used. Nevertheless, those funds have been made contingent upon the tax results shown by the tax reform in the next period of its effect. If the collections show satisfactory rates of recovery, the use of this line will be stopped immediately. On the other hand, if the tax revenue continues to be slight, the government will resort to that line of credit to supplement the budgetary requirements."

Government's Gratification

As a result of the talks held last Thursday, concerning which there was political confusion and misinterpretation, the finance minister expressed the government's gratification at the scope and direction of the agreement reached with all the political movements seated in the legislative organ.

The official remarked that, on the basis of those agreements, it is guaranteed that the bill will be passed during the course of next week, the last one of the current special session of the National Congress.

He claimed that, first of all, next Monday the policy agreement would be submitted to the Senate and Chamber committees for economic affairs which, at their joint meeting, will vote in favor of the proposal. Subsequently, the bill will be sent for consideration by the plenary entities.

Gutierrez Castro explained that he had never reached an isolated agreement with the Liberals, as had been reported at the time. This occurrence created a confused situation which prompted fear over the fate of the government's proposal, when the top-ranking Liberal leaders in the government announced their withdrawal from the discussions. Nevertheless, the minister pointed out that, though the widely publicized agreement was not in existence, finally the talks "brought highly satisfactory results."

He claimed that those situations were a result of erroneous interpretations, because the purpose of his contacts with the Liberal members of Congress and former ministers had been to seek points of rapprochement that would facilitate a type of agreement among the members of the third committees for the prompt transaction of the bill.

He added that the delay and the series of talks were based mainly on the desire of the congressmen and the government to clear up all the points on which there had been concern regarding the monetary and fiscal policy.

Monetary Control

Minister Gutierrez Castro also noted that, as a result of those "fruitful talks," the government had had an opportunity to inform and to dispel fears concerning a possible monetary expansion with serious inflationary effects on the economy.

However, he admitted that one always runs some risks in this area; but he said that, with the government's explanations and the direction of the policy that has been devised, everything is under control.

The official gave a reminder that the inflation rates thus far this year indicate that there is progress in the direction of the goals proposed by the present administration, for 20 percent. He commented: "We shall not allow those intentions to be thwarted."

The minister stressed that all classes of society have acquired an awareness of the fact that the emergency solutions sought by the government are aimed at overcoming the effects or damage caused to the collection levels by the the decisions of the Supreme Court of Justice regarding the tax reform ordered by the government during the economic emergency.

He also expressed the view that the arguments put forth by several former Liberal ministers were constructive, noting that he had explained to them the essence of the economic policy and the urgent need for the solutions proposed to the Congress.

The minister said: "I definitely believe that the picture for public spending has cleared up."

He explained that the bill on lines of credit related to the debt was not submitted before the tax reform, inasmuch as the latter is more important and definitive; although he admitted the urgent need for the other proposal.

The finance minister also announced that the government has guaranteed that the national savings certificates will not be used as compulsory investments by the financial system or the Bank of the Republic.

Between this year and next, the government expects to invest 70 billion pesos in the aforementioned certificates, for the purpose of channeling additional internal savings funds for allocation to the nation's budgetary requirements.

On the basis of those certificates, the government will be able to make additions to the national budget in the future.

2909

CSO: 3348/511

BRIEFS

PRC YOUTH DELEGATION VISITS--This week, a delegation from the National Youth Federation of the People's Republic of China arrived in Bogota as part of a tour of Latin America, during which it hopes to make contacts with the youth organizations of the nations on the continent. The group, headed by Li Hai-feng, vice-chairwoman of the federation, also includes the director of international affairs, Yang Mao-shan; the representative of the administrative office, Zhang Jin-hui; and an interpreter. The delegates attended a welcoming cocktail party which took place last Tuesday night in the Yellow Room of the Senate of the Republic, tendered by the vice-president of the Chamber of Representatives, Emilio Lebolo Castellanos. Attending the function, in addition to the president, were Hugo Castro Borja and Senator Carlos Holmes Trujillo, as well as the ambassadors of the Soviet Union, Romania, Bulgaria, the Netherlands, Czechoslovakia, Japan, the German Democratic Republic and Yugoslavia. The National Federation of Liberal Youth invited the delegation to make a tour of the Colombian provinces. The itinerary includes visits to the departments of Atlantico, Magdalena, Bolivar and La Guajira, where they will tour the El Cerrejon facilities. On 21 June, they will leave Cartagena bound for Valle del Cauca, later going to Popayan, from which they will return to the capital, passing through Pereira, Ibagu and Neiva. They will be received by the departmental authorities in all the capitals. Upon concluding the tour, the group will travel to Mexico. [Text] [Bogota EL ESPECTADOR in Spanish 19 Jun 83 p 7-A] 2909

CSO: 3348/511

AGRICULTURAL PRODUCTION IN SANTIAGO DE CUBA IMPROVES

Havana GRANMA in Spanish 1 Jun 83 p 2

[Article by Raisa Pages: "How Did Agricultural Workers in Santiago de Cuba Achieve Cost-Effectiveness?"]

[Text] Santiago de Cuba--Only two provinces were cost-effective in agricultural-livestock production in 1982: Matanzas and Santiago de Cuba.

In the case of the Matanzas people, this was not the first time but the culmination of an improving process of economic efficiency started years ago.

This was not true in Santiago de Cuba, a province that had losses of about 36 million pesos in 1980. How did they achieve cost-effectiveness in only 2 years and report earnings of more than 5 million pesos?

To transmit to our people the experiences of the Santiago people, GRANMA interviewed Inocencio Rodriguez, delegate of the Ministry of Agriculture in that territory.

Wages Did Not Correspond to Productive Results

About 86 percent of the agricultural-livestock mercantile production of Santiago de Cuba in the past year corresponded to consumer goods, according to Inocencio Rodriguez. He stressed: We start from the criterion that each economic entity must work for cost-effectiveness without reducing its production. It is necessary to be profitable while supplying more consumer goods to the people.

We demand that each enterprise report what part of its mercantile production is consumer goods. This is very important in agricultural-livestock production since the ultimate objective of agriculture is to increase the supply of food for the people.

The delegate of the Ministry of Agriculture considers the support offered to the economic cadres of great interest to the leaders of the agricultural-livestock branch because it is customary in this sector to think that there always have to be losses. It is necessary to eliminate this mentality. Our province is an example of it. For some, it was utopic to imagine that we

would achieve cost-effectiveness...and practice verified how the correct application of the Economic Management and Planning System helps in agricultural-livestock enterprises.

An organizational and economic restructuring of the agricultural-livestock enterprises in Santiago de Cuba began in the second half of 1981.

Rodriguez indicated how a discussion process with the workers was started first. The need to eliminate everything that conspired against economic efficiency was presented. The debates centered on the existing lack of supervision and lack of administrative demand. The majority of the problems were subjective.

Man--without whom the means of production become dead objects, as Karl Marx said--was the central topic of the statements that the Santiago agricultural workers made in the analyses to reflect the causes for the excessive economic losses.

We directed our priority attention in the organizational restructuring we undertook in 1981 toward the worker, the man who produces, noted Rodriguez.

The elements that could be considered negative for cost-effectiveness were the following:

Excessive wages that did not correspond to the productive results (lack of fulfillment of the socialist postulate of "to each according to his ability, to each according to his work [as published]");

Poor use of the workday and, consequently, low productivity; and

Limited use of the pool of agricultural machinery (from almost 3 hours in 1980 to more than 9 hours now).

Measures were taken to improve this situation: 1,500 positions of unproductive personnel were eliminated; the work force was reorganized (elimination of excessive districts and lots in some enterprises); the personnel in charge of economic management was trained (seminars, conferences, courses); and frequent inspections of the enterprises were made.

Five Coffee Enterprises with Profits

Of the eight coffee enterprises that were cost-effective during the past year, five are in Santiago de Cuba, the best in this productive sector.

Inocencio mentioned the names of the entities that were cost-effective: Songo-La Maya, Segundo Frente, Carlos Manuel de Cespedes, Palma Soriano and San Luis.

In his opinion, the factors that influenced this productive achievement were:
1) greater incorporation of the local forces for harvesting the coffee (from

Chart of Behavior of Economic Indicators in Last 3 Years

<u>Factor</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Gross production (pesos)	152.9 million	175.7 million	179.8 million
Mercantile production (pesos)	115.7 million	133.0 million	139.9 million
Productivity (pesos per man)	3,599	4,134	4,178
Average Wage	1,391	1,680	1,652
Cost per peso of wage (centavos)	0.63	0.45	0.39
Cost per peso (gross production)	1.17	0.99	0.92

49 percent incorporated in the 1981-82 harvest to 61 percent in the 1982-83 harvest); 2) more effective forms of payment for the harvesters which stimulated greater productivity; and 3) emulation as a factor to promote production. The union gave sufficient attention to the work forces. This influenced exploitation of the workday as demonstrated by the fact that productivity increased about 16 percent compared to the previous year.

He also indicated other decisive aspects: 4) a strong emulation was generated in the student movement that supported the harvest as a salute to the 30th anniversary of the attack on Moncada barracks and the youths increased their yield and surpassed estimated productivity; 5) the enterprises managed to sell a larger percentage of decaffeinated coffee which, due to its quality, has the highest price per can of coffee; 6) the organization of the work forces into brigades; and 7) social advances--more housing for the coffee workers in the mountainous zones and other investments in construction and highway projects. Self-supply was encouraged but it is still inadequate.

Continue Efforts in Vegetables, Produce

At the celebration for the International Day of the Worker, Jose R. Balaguer, member of the Central Committee and first secretary of the party in Santiago de Cuba, called upon the agricultural workers to work to double the production of vegetables and produce in order to increase sales to the people.

The delegate of the Ministry of Agriculture stated: We must advance in the creation of the technical and material infrastructure and the technical training of the workers.

Two aspirations of the Santiago people for the coming years are to achieve the introduction of varieties with greater productive potential and certification of seeds (to develop their own banks).

There is also work so that the school gardens and the hydroponic garden (that is being built) will supply the bulk of the demand for produce in the province.

The production of fruit has not been neglected. Efforts are being made to increase planting of mangoes, mamey, sapodilla, cashew and guava by interplanting with other crops and the use of marginal areas.

VEIGA PRAISES SUGAR HARVEST WORK IN LAS TUNAS

Havana TRABAJADORES in Spanish 30 May 83 p 4

[Speech by Roberto Veiga, secretary general of CTC and alternate member of the Politburo of the PCC, at the presentation of the Million-Arroba Banner to Las Tunas Province on 28 May 1983, "Year of the 30th Anniversary of Moncada"]

[Text] Comrades:

This presentation comes at a time when our people, in massive and combative demonstrations, indignantly express their rejection of the despicable imperialist pretensions contained in the hysterical, shameless and cynical statements made recently by Ronald Reagan and Barry Goldwater. This island will sink into the sea before consenting to the brazen and insolent aspiration of seeing Cuba become the 51st state of the union!

The threats of the fascist U.S. administration don't instill any fear in us. On the contrary, they strengthen our unyielding determination to defend the revolution at any cost.

For the Cuban workers, the need to promote their two basic tasks--production and defense--has more importance and effectiveness now than ever.

To be precise, the labor victory that has led to this presentation is a resounding response to the imperialist enemies who, in their hatred and impotence toward our country, shamelessly reiterate their intention to crush the revolution .

Comrades:

When the CTC [Central Organization of Cuban Trade Unions] launched the motto at the beginning of last year that all provinces aspire to proclaim all their brigades of cutters million-arroba brigades, there were those who thought that this objective was unrealizable in many places. Almost all the skeptics felt that this goal was only a dream in Las Tunas.

We can happily emphasize that we were not among the pessimists. We trusted in the awareness, dignity and spirit of the Las Tunas cutters. We trusted in the seriousness, enthusiasm and combativeness of their political, union and administrative leaders.

Today, when presenting the banner that accredits them as a "Million-Arroba Province" in manual cane cutting, we experience the infinite satisfaction that this confidence was fully justified.

We must confess to you that this province helped strengthen our faith in the possibility of reaching this objective throughout the country.

We visited the province in the middle of last year. On that occasion, we talked with Zayas, Hondal, Dieguez and other comrades about the need to work in this harvest to declare all the brigades of cutters million-arroba brigades. Although this goal seemed to be, and was, difficult, we found those comrades had a receptive attitude and a contagious optimism. We especially found the firm determination to make this goal a goal of the masses, a goal that the masses accepted consciously and materialized victoriously in action.

On 13 September 1982, we again visited the province. On that occasion, we were aware of the rational and correct judgments that had prevailed in planning the work force for the sugar harvest and the seriousness of the work to select and organize the cutters. At that time, we reaffirmed our conviction that Las Tunas would be a million-arroba province. We thought also that if Las Tunas, with its productive background in manual cane cutting, met this goal, all the remaining provinces in the country could.

We remember that at an emulation review in the province then, we expressed the idea that the national celebration of the "Day of the Sugar Worker" would be held in the municipality in this province that first achieved the million-arroba award in manual cane cutting. Since that very day, a powerful emulation movement to earn the right to be the site of this important celebration began to grow. There was hard work. The conditions were created so that this idea would spread to the most remote job position. This emulation, without question, caught on in the masses. Colombia became the municipality that achieved the position of million arrobas first and, therefore, will be the site for the "Day of the Sugar Worker" next August. Colombia will be a worthy site, not only for its triumphs in this harvest but for its victorious labor tradition. It has accumulated the impressive record of 10 consecutive harvests fulfilling its technical-economic production plan for sugar.

On a day like today, we can state with justified optimism that Las Tunas has stopped being--forever--a province with poor results in the million-arroba movement of manual cane cutters to become part of that distinguished vanguard of million-arroba provinces that already include: the 3-million-arroba province, Havana City; the 2-million-arroba provinces, Havana and Ciego de Avila; and the million-arroba provinces, Sancti Spiritus and Granma.

What does this victory of Las Tunas--which is not, in this case, a victory of the Spanish colonists--teach us? It is a victory of the Las Tunas people, of the Cubans, of the revolution and of socialism!

This victory teaches us the unlimited capacity of the masses. It teaches us that when we are capable of getting the workers to embrace an idea and make it theirs, that idea becomes a beautiful reality.

In this sugar harvest, the 82 brigades of manual cutters in the province pledged to become million-arroba brigades and all achieved that position. It is significant to note that Las Tunas has used almost half the number of cutters in this harvest compared to the last two. With fewer men in the field, more cane was sent to the scales of the mills as a result of a noticeable increase in productivity.

Today we make this presentation in the midst of the enthusiasm caused by the recent news that Las Tunas, conquering all difficulties, fulfilled its technical-economic production plan for sugar to be, with Granma, the only ones that have achieved such an important objective in 1983. This is great news that not only arouses enthusiasm in the Las Tunas people but instills joy and optimism in the entire country.

We must emphasize that in previous harvests, the province presented unsatisfactory results in oil consumption. This time only 83,000 gallons have been used and that was at the beginning of the harvest. In other words, the province has gone more than 150 days without using oil. That is another achievement of the Las Tunas people that the people of Cuba justly salute and recognize.

The province also prepares itself to advance rapidly toward the future: the yield of our cane fields increases; there is work to repair and build cane roads and access roads to the towns; there is progress in the construction of housing for the sugar workers; their plans for self-supply increase; and many initiatives are developed to make life more attractive and happy each day.

Las Tunas is a strong sugar power whose cane mills and fields will know how to respond to the needs of sugar growth planned for the remaining years in the 5-year period and for the following periods. In spite of the imperialist threats and aggressions and despite the adversities of nature, the future looks promising, hopeful and filled with justified confidence.

The people of Las Tunas propose to be more productive, more austere and more efficient. The victories we celebrate today constitute a new starting point for new victories. There is already talk of struggles so that Las Tunas can be declared a 2-million-arroba province in manual cane cutting in the coming years. This is a great dream although, given the example of the people of Las Tunas, we doubt there is anyone now who thinks that this dream will not be converted into a glorious reality. There is already talk that Las Tunas will be declared a million-arroba province in mechanized cane cutting in the coming years. This is a difficult goal but it is reachable if there is hard work to achieve it.

Decisive days lie ahead to promote important tasks related to the next harvest.

Given the conditions under which the 1982-83 harvest was done and the negative effects of the rains, there is a need to make maximum efforts to dedicate ourselves from now on to the preparation and organization of the 1983-84 harvest.

It can be stated beforehand that we have never before faced the beginning of a harvest so demanding and urgent as this coming harvest. It becomes a real challenge.

There is a need to undertake, with renewed impetus, the tasks related to sowing, cultivation, fertilization and irrigation of large extensions of cane. There is an urgent need to begin, immediately and strongly, the preparations to develop and successfully culminate the next harvest.

The harvest comes to an end but there will not be stillness because the machinery of the mills is quiet. As long as it is necessary to do a task, you will not pause.

With the satisfaction of duty completed, the fulfillment of the large tasks that preparation for the next harvest demands is assured. Everyone agrees that it will be a large harvest.

Dear comrades, receive the warmest and most sincere recognition for the effort made and the results obtained. You people of Las Tunas have rendered worthy homage to the 30th anniversary of the feat of the heroes and martyrs of Moncada by victoriously completing these two important tasks: to fulfill the sugar production plan and become a million-arroba province.

Congratulations!

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CSO: 3248/959

SANTIAGO SHIPYARD SUCCESSFUL IN REPAIRING LARGE SHIPS

Havana BOHEMIA in Spanish 20 May 83, No 20, pp 32-33

[Article by Marta Cabrales: "When Sweat Turns into Gold"]

[Excerpt] The shipyard in this city, located in one of the many bends of Santiago Bay, has become an important source of economic revenue in spite of its modest and seemingly insignificant appearance.

The reason for this is basically that the workers of the El Nispero and Joaquin Diaz Cominches units that make up the entity "broke out of inertia" and went beyond their usual jobs.

It all began in 1981 when, without neglecting the construction and repair of smaller vessels, they took charge of ships of large tonnage that often had to be repaired outside the country at a considerable cost.

With the incorporation of skilled personnel, specialized equipment and machine tools, including self-propelled rafts to transfer the shop to the ship, 40 large ships were repaired in 1982 for an equivalent value of 785,000 pesos and more than 2 million in foreign currency.

They also built 19 small ships, repaired 56 others and provided services to other industries.

The "Villena" already plows the seas as the first result of the effort of the shipyard collective. That has been a stimulus for similar work that has already been done on the "XI Festival," another Dnieper ship in the Santiago port.

The modification includes holds and cranes. Plans are to do this also on the other two ships of this type in our merchant fleet.

Repair of Containers, Another Milestone

Containers that were damaged accumulated here at the port of Guillermon Moncada until 2 years ago. Their repair abroad was expensive.

At the beginning of the 1981 sugar harvest, the party in the province told the shipyard of the need to fix that equipment to fill out the capacity of the "Abel Santamaria" and "Frank Pais" in order to ship sugar abroad.

Only the list of repairs and the determination of the workers were needed for this task to have a happy ending. It then became another milestone in the work of the collective.

One Ship Converted Almost into Two

Although it seems a little like magic, there is nothing extraordinary in it except the determination of the workers of the shipyard. They enthusiastically grasped the idea of expanding the capacity of the Dnieper ships to transport containers.

This was the reason the collective appeared in the provincial newspaper. It completed the application of that initiative suggested by Jose Ramon Santana, ship captain, on the motorized ship "Ruben Martinez Villena."

The ship had 60 containers added to its freight capacity. When the work is completely finished, the capacity of the "Villena" will increase from 388 containers to 600, like making two ships from one.

To get an idea of what this means, it suffices to note that the value of the freight of each container is about \$500. Therefore, the ship will earn a considerably higher amount on each trip.

In 1982 alone, they fixed 1,279 containers with a value of 224,400 pesos. In 1983, more than 231 have already been repaired.

"Aracelio Iglesias": Launched

Last year the motorized ship "Aracelio Iglesias" had a collision in a European port. Since it operated out of Santiago, it was decided to exploit that situation and repair it at Santiago Bay.

According to Carmelo Zaldivar, shipyard administrator, that mission "looked hard" to them since it implied a change in parts of the hull and the deck of the ship which was equivalent to a cost of \$150,000 abroad.

The work quality merited the praise of the inspectors of the Lloyd Register insurance company and made it possible for the ship to be restored to the classification of first quality in maritime transportation. This guarantees that it meets the established requirements to navigate with proven safety for human lives, freight and the ship itself.

The workers of the shipyard have also worked on foreign ships that requested it. This has good prospects keeping in mind that the city is close to a heavily traveled maritime route.

7717

CSO: 3248/959

PARTY LEADERS ADDRESS ELECTION DIFFICULTIES, COALITIONS

PCN, PAISA Differ

San Salvador DIARIO LATINO in Spanish 1 Jun 83 pp 3, 14

[Text] It is becoming increasingly likely that the elections scheduled for the end of this year will again be put off to March of next year, as was originally scheduled.

Deputies from various factions are in agreement in pointing out that the period until the end of the year is too short, and, furthermore it appears there is not enough time to draw up an adequate Voter Registration.

Hugo Carrillo, first vice president of the Constituent Assembly and a top leader of the National Conciliation Party (PCN), said he would run in the elections, even though this decision is still not final.

Carrillo also said that the exact date of the elections will not be set until work on the Political Constitution is still being completed, and furthermore, if a second round of elections is considered, the first round should be held no later than the middle of November and the second round between 8 and 11 December.

Carrillo said that since early on the PCN has been of the opinion that the elections should be held next March.

On the other hand, deputies of the Salvadoran Authentic Institutional Party (PAISA) declared that indeed the time provided for the elections seems very short, but as of now no alternatives have emerged that might cause the date to be changed. The PAISA informants said that up to now they have not settled on a date for their national convention to nominate their presidential candidate. The recognized leader of PAISA is Col Dr Roberto Escobar Garcia.

Deputy Hugo Carrillo of the PCN said that the PCN likewise had not yet picked a date for its national convention, and he declined to name presidential candidates, affirming that everything had to be kept secret. Furthermore, he insisted that they have only one leader, without of course mentioning anyone's name.

Regarding possible coalitions that his party could form with other political groups, Carrillo said that there have been talks with all the parties about that idea, with the exception of the PDC and PAISA. The latter party emerged from a split last year in the PCN.

When Carrillo was asked why the Christian Democratic Party (PDC) had been the first to choose its presidential candidate, the leader replied that the nomination of Eng Jose Napoleon Duarte is not acceptable in view of the internal division in that party, with many other party members still supporting Dr Fidel Chavez Mena.

AD Denies Coalitions

San Salvador DIARIO LATINO in Spanish 1 Jun 83 pp 3, 14

[Text] Dr Rene Fortin Magana, secretary general of Democratic Action [AD], said: "There are too many unknown factors to be puzzled out; the Political Constitution is still being worked on and has not been brought before the full session. There's no Electoral Law; the Central Electoral Board finds itself hemmed in and sends out an economic SOS every day. The Voter Registration program, which is absolutely indispensable, has to be properly organized, and finally, the rules of the political game are nowhere in sight. To speak of elections in these circumstances seems somewhat useless."

Noting the military situation, so closely linked with the political process, Dr Fortin Magana pointed out that, judging from the news, it seems quite difficult, especially in the eastern party of the country. He added: Within the political process in which we find ourselves, this is precisely when a clear demonstration of the success of the Armed Forces operations is most needed. In such situations it is to be hoped that the new training programs may bring the encouraging note that we so much need.

As to whether AD will continue with its political work, the aforementioned professional said: Yesterday, today, and tomorrow, whatever be the circumstances, we AD members are ready with ever greater enthusiasm to defend our democratic ideas with conviction, vigor and strength.

A reporter asked Dr Fortin Magana whether it was true that his party, AD, had applied for membership in the Socialist International and was turned down. The political leader replied that it was completely false and that it was incredible how it was possible in our media to tell the biggest lies in order to sow confusion and cause harm.

Dr Magana was asked about a possible coalition between AD and the PDC, and he said that that was another false report, since these parties have different principles, objectives, and procedures. The time the PDC was in power was frankly disastrous, and if the people give AD the opportunity, our aim will be to contribute to the salvation of the country.

Enlarging upon his reply as to the reforms applied by the PDC, he said that actually he was not certain that they were of Christian Democratic inspiration,

nor did he believe that they came out of the Armed Forces, but rather, to be frank, that they had come from abroad.

Regarding private enterprise, Dr Magana said he admired the private enterprises, unions and cooperatives that worked with a common and coordinated effort under the patriotic direction of the government elected by the people.

As for the turnover of personnel in the U.S. Government, Dr Fortin Magana felt that a substantial change is being put into practice in the U.S. policy in Central America and that the replacement of Enders, Hinton, and Nutting is eloquent by itself. He said: Without having a crystal ball it seems to me that very important happenings in the region are in the offing.

Finally the AD leader indicated: As far as possible we must fight to maintain at all times a principal and not a subordinate role since, in the final analysis, it is our destiny that is at stake.

12430

CSO: 3248/882

BRIEFS

TOURISM INCREASE--St. George's, Grenada, Saturday (CANA)--TOURIST arrivals to Grenada during the first four months of the year were up 41.7 per cent compared with the corresponding period in 1982, the Ministry of Tourism reported. Increased advertising, marketing and promotion plus the strengthening of Grenada's tourism offices overseas were largely responsible for the increase, the Ministry said. It added that another reason was the favourable comments made about Grenada by persons who had come here. Between January and April, Grenada welcomed a total of 11 935 tourists compared with 8 421 last year. Visitors from the West Indian market accounted for the largest increase--27.1 per cent, with Trinidad and Tobago alone recording a 6.3 per cent increase. The United States, Canadian and British markets showed increases of 20.1 per cent, 14.8 per cent and 8.5 per cent respectively. Cruise ship passenger arrivals showed a 0.1 per cent increase, the Tourism Ministry said. [Bridgetown SUNDAY ADVOCATE in English 19 Jun 83 p 3]

CSO: 3298/738

BRIEFS

DROUGHT REDUCES GRAIN PRODUCTION--Almost 75 percent of the first basic grains harvests have been lost as a result of the prolonged drought occurring throughout most of the country. The general manager of IHMA /Honduran Agricultural Marketing Institute/, Manfredo Fajardo, has confirmed this, adding that the "Institute is prepared to meet the demand for corn and beans for the Honduran people." Traditionally in our country, the preparation of lands for sowing grains begins in summer, in March and April, to be exact, and then they await May rains to proceed with the planting. This year, rains began in an irregularly, a month later, that is 30 May. The three or four heavy showers which fell in some areas were not enough to get the basic grain producers to sow and according to available reports, only in other small areas were the rains necessary, but not good enough to ensure a good harvest. That is to say, that the small areas devoted to corn will be bad, and therefore insufficient to meet even small consumer demand. Faced with this situation, IHMA, according to its general manager, has sufficient capacity to meet the demand until the late harvest comes through, which, however, according to weather forecasts, will be very delayed. /Text/ /San Pedro Sula LA PRENSA in Spanish 8 June 83 p 24/ 9678

ILLITERACY 42.5 PERCENT--According to official sources, about 500,000 Hondurans who cannot read or write will be able to integrate themselves into the development process when the Honduran Government launches the National Literacy Plan which will attempt to reduce the illiterate population from 42.5 to 25 percent. According to UNESCO data, of 159 million Latin Americans, 45 million are illiterate. Of this number a little more than 1 million are in Honduras whose authorities have seen with concern the impoverishment in which this potentially active sector has remained. Literacy of this significant number of Hondurans will guaranty their participation in social benefits, aspirations and possibilities which up to now were the moving force in national production. /Text/ /Tegucigalpa LA TRIBUNA in Spanish 24 May 83 p 15/ 9678

BORDER ROAD CONSTRUCTION BEGUN--Work was begun yesterday on the emergency highway toward Los Trojes and other communities bordering on Nicaragua, considered of vital importance for the inhabitants of the area in the face of harassment on the part of Sandinist forces against national territory. The stretch of highway consists of 38 kilometers of which 23 will be ready immediately going beyond Cifuentes from the town of El Chaparral, Santa Fe, Santa Rita and Los Planes; the remaining 15 kilometers should be opened in 20 days. In the first stretch a DC-8 tractor, various ballast trucks and two graders are operating in

order to make ready the road up to the community of Planes and to permit a strategic exit for national army elements which at present are on guard along the frontier. Another machine, a DC-6 tractor, clears the road toward the community of Los Planes to follow the opening to Buena Vista and later connect with Las Trojes. In accordance with the opinion of the operator, Reynaldo Rodriguez, "the work should suffer no delay because weather conditions are favorable at this time." He added that the start of operations brings hope to the people of this area and hopefully the entire project will proceed normally." Col Danilo Ferrera Suazo, commander of the sixth infantry battalion, headquartered at Ojo de Agua, visited the area yesterday to inspect the work's progress and to offer necessary aid. /Text/ /Tegucigalpa LA TRIBUNA in Spanish 9 Jun 83 p 15/ 9678

CSO: 3248/929

WORKERS PARTY SLAMS SEAGA'S AUSTERITY PROGRAM

Bridgetown BARBADOS ADVOCATE in English 21 Jun 83 p 3

[Text] KINGSTON, Jamaica, Monday (CANA)--The Marxist-Leninist Workers' Party of Jamaica (WPJ) has said that a government austerity package to assuage the International Monetary Fund (IMF) cannot deal with the problems of the island's economy and will lead to bankruptcy and greater indebtedness.

The WPJ said the measures will cost at least three thousand jobs in the public and private sectors, create shortages of a wide range of economic performance tests, last week disclosed that he has increased from US\$163 million to US\$528 million the value of imports and other transactions which will now be shifted from the cheapest to the more expensive of the currency exchange rates now in effect here for the Jamaica dollar.

Seaga also announced a 4.6 per cent cut in the approved 1983-84 spending and lowered by a 10 per cent its foreign exchange allocations for imports this year. products and lead to price increases for goods and services other than those the administration has listed.

In a statement the party also called for the resignation of the government and the establishment of a caretaker administration to prepare for national elections.

Prime Minister Seaga, to meet the IMF demands for continuing a US\$650 million loan agreement after Jamaica's March failure of

The parallel exchange market is operated by commercial banks and the rates there are up to 40 per cent higher than the official (Central) Bank of Jamaica rate of \$1.78 (JCA\$1--56 cents US) for one American dollar.

The government had said that US\$163 million worth of payments would be financed from this unofficial market this fiscal year.

"The recent economic measures, instead of dealing with the real problems of the country, go further down the road of bankruptcy," WPJ General Secretary Trevor, Munroe, told reporters.

"By September, the government will prove unable to finance even government and government-guaranteed debts from the Bank of Jamaica account, and therefore, as long as it stubbornly continues with the IMF, have to move towards full-scale devaluation," he predicted.

FEDERAL WORKERS LAW SEEN AS ANTI-LABOR, ANTI-ILO STAND

Mexico City UNOMASUNO in Spanish, 9, 10, 11 Jun 83

[Article by Teresa Gil]

[9 Jun 83 p 2]

[Text] Labor Situation of 1.5 Million Bureaucrats Disadvantageous. Around 1.5 million workers covered by the provisions of Paragraph "B" of Article 123 of the constitution--70,000 are employees of the SEP [Secretariat of Public Education]--cannot demand contract rescission even though their employer, the federal government, commits violations of integrity, on top of which they do not share in the profits on the basis of the idea that the government is not a profit-making organization; to start a strike, they have to meet overall requirements which are practically impossible to comply with.

Subject to a labor legislation which, in 1938, separated them from the rest of the workers, public employees were confined within a restrictive constitutional status through the reforms of Lopez Mateos in 1960, when Paragraph B was introduced. From then on, according to labor law specialists, the country's working class has been divided into what the federal government itself has come to call the production plant and the sector devoted to public services. The original intention of the Constituent Assembly had been violated.

According to the UAM [Metropolitan Autonomous University] experts Prospero Lopez Cardenas, Ismael Gonzalez, Jesus Campos Linas, Manuel Fuentes, Pilar Noriega, and Jesus Trapaga Reyes, in that context, government workers are covered by a special system and must demonstrate their contractual relationship through an appointment which only the government itself can make and which, in the negative case, becomes a difficult piece of evidence to supply in court. Nor do they have the right to diversify their labor union participation since the Federal Law on Workers in the Service of the State points out that there can only be one union in each department and that this union must necessarily be affiliated with the FSTSE (Trade Unions Federation of Government Workers).

Concerning trial matters, the workers are subjected to requirements that are not established in the law and there are also certain inequalities which are considered in the Constitution, such as the fact that they are not given a fixed term for submitting the application or that the public [government] agency petitioned can respond in writing, through its legal sections, while the worker is obligated personally to go to court--if he does not do that, he is threatened with losing the case.

The analysis of the situation prevailing among government workers, as prepared by investigators from the Law Department of the UAM and by the FNAD (National Front of Democratic Attorneys), was put out at a time, it was argued, when very many workers were discharged, above all in the sector of confidential [sensitive] jobs or among those who are covered by contracts based on a particular project or a certain period of time. This situation is even worse in agencies such as PEMEX [Mexican Petroleum] which has around 100,000 temporary workers, some of whom have been waiting for more than 20 years for a permanent job.

They also introduced the fact that, in spite of their status of public employees, their rights are diminished, subdivisions are furthermore being created within the same sector, as is happening to temporary workers who are subject to "capitis diminutio" [abridgment of legal capacity], when compared to those who have a union-backed job. In general, it usually happens that workers with status are less in number than those in sensitive or temporary jobs, as in agencies such as the National Lottery, where there are 400 unionized employees although, on the other hand, there are more than 2,000 in confidential or contract jobs.

According to Ismael Gonzalez, they are trying to do the same thing to the bank employees who presumably are considered confidential employees for the most part because they handle money, as against a small number of basic workers with permanent status.

For labor law researcher and professor Prospero Lopez Cardenas, the concept of the special employee was created during the term of office of Cardenas when the growing development of the labor unions in the public sector made it necessary, on 5 December 1938 to pass the Legal Charter of the Workers of the Agencies of the Union. That document provides for working conditions that are superior to those established by the 1931 Federal Labor Law.

That charter spells out the labor union restrictions on employees through strict prohibitions, noting that there can only be one union in each department and that the workers who join a union cannot resign from it. Only the union can establish a union headquarters recognized by the government and that is the FSTSE.

In describing the labor system prevailing in that sector, the charter denied the right to collective bargaining and the possibility of striking was confined to causes very different from those established by the Federal Labor Law.

With the rise of this type of legislation, the researchers at the UAM point out that a sector of social support for the government system was created because, during that same year, the FSTSE joined the PRM (Mexican Revolution Party) and in 1979 obtained its first deputies. Shortly afterward, it became the basic organization of the CNAP (National Confederation of Popular Organizations).

The Supreme Court of Justice of the Nation came out with the thesis against the charter which it considered to be unconstitutional, which necessitated its being elevated to constitutional status in 1960, when Paragraph "B" of Article 123 of the constitution was promulgated. That Paragraph legitimates the foundations for the existence of special employees and a clear example of those employees are the university and banking employees and there is also approval of the right to join in unions but with the restrictions that were earlier outlined in the 1983 [as published] Federal Law on Workers in the Service of the State.

[10 Jun 83 p 4]

Law Governing Civil Service Labor Relations Infringes on Freedoms, According to Specialists

[Text] The law governing labor relations of workers in the service of the state not only violates the principle of labor union freedom, established in Fraction XVI, Article 123, but also runs counter to international agreements signed by Mexico--such as agreement no 87 signed in 1948 within the ILO--according to which employees can establish any number of unions which they want to defend their interests.

UAM labor law specialists argue that the guarantee of association, provided for by Article 11 of the Constitution, is also violated since workers are forced to remain in a union without being able to resign from it--except through expulsion.

The objective of subjecting employees to political control, which is latent throughout all of the law's articles, can also be observed in the internal organization of the labor union headquarters which controls government workers, that is, the FSTSE which was created in 1938. The control functions of that organization are legally backed up in its charter whose second point specifies that "The labor union headquarters accepts for itself the doctrinaire principles of the Mexican Revolution."

The sixth point states that "After the establishment of the labor law relationship, under the provisions of the Federal Law on Workers in the Service of the State, the FSTSE believes that the chief executive is the highest authority in the republic and that at the same time he guides the Mexicans in resolute action to achieve levels of social coexistence."

As it states in the 24th point, the FSTSE also believes that "Paragraph B, Article 123, of the Constitution, represents a real gain of the workers in the service of the state which lends prestige to the system of the Mexican Revolution."

Through these principles and through the operation of the National Commission for Affiliation with PRI--which, according to the Charter, has the objective of assuming responsibility "especially for the tasks of individual affiliation of government workers with the PRI, because it is the political organization in which the majority of the workers are militants..."--the FSTSE identifies itself as an instrument of the Mexican political system, rather than of the interests of its union members.

These points were raised by Prospero Lopez Cardenas, Maria Estela Rios, Rebeca Pujol Rosas, and Ismael Gonzalez, labor law experts, who furthermore stressed that the control function over the unions as exercised by the FSTSE is also expressed legally in statutory provisions, such as those pertaining to its organization and operation. Until 1980, the FSTSE was made up of 67 unions with more than 1 million workers. Its Article 11 indicates that, to be a member of the central union, the particular union must have been registered by the Federal Reconciliation and Arbitration Court although, in practice, new unions join the central union before registering because the above-mentioned court does not grant registration if the union does not first demonstrate membership in the FSTSE.

The "Constitutional aberration" of Article 69 on the impossibility of the workers to belong to other unions, is reinforced in the statutes of the central union itself where, to guarantee FSTSE labor union control, even the authority to punish with expulsion has been eliminated.

In the study entitled "Legislacion especial laboral y sindicalismo de trabajadores, al servicio del Estado" [Special Labor Legislation and the Unionization of Government Workers], Prospero Lopez specifies that the member unions of the FSTSE are for the most part organized as national unions, set up in the form of sections which do not have any autonomy but which instead are under national executive committees and those are the executive bodies on the highest level even though, formally, there are decision-making bodies in the assemblies, councils, congresses, and conventions.

According to Article 15 of its charter, the FSTSE is governed by the following bodies: Congress, federal council, executive committee, national autonomous commissions, and coordinating committees.

The central union's governing body is the executive committee through which the central union controls the member unions from their inception on since, according to Article 33 of its in-house regulations, it is within the purview of that body "to intervene in the formation of newly-created unions in all those public agencies which may be subject to federal law."

That committee can also intervene in conflicts that might arise between unions and government agencies since Fraction VIII of the above-mentioned article grants authority "to intervene in conflicts of a collective character which one or more federal unions may have with the government."

[11 June 83 p 6]

No Collective Bargaining for Civil Servants

In restricting and controlling the organization of its employees, the Mexican government managed also to dominate the conditions for the employment of that labor force and its collective action since, on top of everything else, it denies these employees the right to collective bargaining and makes it impossible for them to exercise the right to strike.

Working conditions are determined by the employer because the law itself, in Article 87, points out that these conditions shall be spelled out by the employer-state and that the unions only have the right to express opinions since their opinions are taken into account whenever the government may consider this convenient.

Civil service employee salaries are also fixed unilaterally by the government through its expenditure budget without the intervention of the union since Article 33 of the law provides that "The salary shall be uniform for each category and shall be fixed in the respective expenditure budgets."

Specialists from the Law Department of the UAM argue that, with the right to unionization and without the right to collective bargaining, the right to strike, as an instrument of the above, turns out practically to be a utopia since, according to Paragraph B, Article 123, of the Constitution, Fraction X, and articles 84, 101, 103, and 104 of the Regulatory law, government workers can stop working only for a single cause: "When the rights spelled in Paragraph B are violated in a general and systematic fashion." Other indispensable requirements for striking include "that it must be declared by two-thirds of the workers in the department involved" plus the recognition of legality previously established by the Reconciliation and Arbitration Court.

The country has not had a civil service employee strike since 1960 which could have met the legal requirements and when strikes were proposed, they only provided legitimate backing for government repression, as happened to the workers of the General Hospital whose leaders were arrested and tried.

Jesus Campos Linas says that civil service legislation contains all kinds of gaps and deficiencies and that this can be explained as follows: While its articles comprise 165 headings, its counterpart, the Federal Labor Law, contains 1,010 articles. Thus, many procedural aspects, such as the handing down of rulings by the Federal Reconciliation and Arbitration Court and the manner of executing them, are not covered in its body.

Maria Estela Rios Gonzalez in turn emphasized that the right to stability in employment, which government workers enjoy, applies only to the basic, permanent workers, not to the confidential employees. At first sight, she says, this job stability has an absolute character but this is not so in practice since the government is obligated to obtain a legal ruling prior to discharging anybody--something which happens never or only on rare occasions.

On the other hand, there is no penalty for government authorities who act in this way; besides, the court itself has ruled that a government employee can be discharged without a court ruling while the employer does not incur any responsibility if it can be made credible that the firing was justified.

As far as confidential workers are concerned, Manuel Fuentes noted that, although they are apparently governed by a system of privileges, since they draw higher salaries and allowances, this applies only to a small sector because many employees who are unlawfully considered to be confidential employees only make the minimum salary.

These employees are not covered by the civil service legislation system and therefore cannot go to the Federal Reconciliation and Arbitration Court which usually declares that it is not competent to handle those cases. Here is the question asked by specialists: What legal system covers confidential government workers if they are not covered by the two regulatory laws of paragraphs a and b of Article 123 of the Constitution?

The law nevertheless specifies that those employees can establish their own unions (something which happens fairly rarely) but they are barred from the unions of the basic employees.

The category of confidential worker is provided for in Article 5 of the Federal Law on Employees in government service, as a consequence of what is pointed out in Fraction XIV, Paragraph B. The law extends that name to many categories which number more than 200, including those whose appointment depends on the president, those who are involved in scientific research activities, in the prosecution of crimes (MP [Office of the Attorney General]), members of the various police forces and employees who handle securities or perform surveillance functions, among others.

According to Fuentes, this means that there is a violation here of the principle to the effect that the confidential-employee category depends on the nature of their functions and not on the job designation as such, as noted in Fraction XIV, Paragraph B, Article 123, of the Constitution, and as recently spelled out in a thesis by the Reconciliation and Arbitration Court.

5058

CSO: 3248/966

CHIAPAS AGRICULTURAL PLAN SET AT 21 BILLION PESOS

Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 3 Jun 83 p 3

[Article by Ernesto Sarmiento]

[Text] The total investment in the Chiapas Agricultural Plan is 21 billion pesos, Engineer Salvador Preciado Ramirez, chief of the Secretariat of Agriculture and Water Resources (SARH) office in the state, announced yesterday.

When interviewed on this matter, he explained that the investment will benefit 270,000 peasant families and will provide jobs to thousands of farm workers.

The senior official also emphasized that 2.2 billion pesos will be invested this year on the construction of water-agricultural infrastructure projects to expand the irrigation and seasonal areas.

Specifically, this money will be used to continue work on the big irrigation projects on the San Gregorio irrigation districts, in Frontera Comalapa municipality, so that, along with the construction of 23 small irrigation units, the irrigation area can be expanded from 55,000 to 80,000 hectares by the end of this year.

Preciado Ramirez also announced that work will continue on the Acapetahua, Huixtla and Las Margaritas projects, on the Chiapas coast, which together will add 7,500 hectares to production.

The SARH representative added that with this plan special attention is given to the lowest income sectors, while efforts also are made to reach the highest levels of production.

Preciado Ramirez stressed that "priority attention has been given to the production of basic foodstuffs to satisfy the needs of the local population, in addition to crops with high demand on the national and international markets, such as coffee and cacao.

Lastly, he noted that 847 million pesos are being used to promote fertilization programs, the use of improved seeds and the fight against plagues and diseases.

9925

CSO: 3248/967

FOREIGN DRUG FIRMS CONTROL LOCAL MARKET

Mexico City UNOMASUNO in Spanish 12 Jun 83 p 7

[Text] The Labor Congress (CT) asserts in the latest issue of its news organ that 58 transnational firms control the chemical-pharmaceutical industry worldwide, adding that in Mexico six large distributors account for 75 percent of the wholesale of medicines. These same consortiums control the raw materials for this industry, and Mexico has to import 50 percent of the raw materials required for the manufacture of medicines.

The CT reports that the research work on this was done by the Secretariat of Programing and Budget a few months ago. It adds that the work shows that Mexico is 80-percent dependent on foreign technology and raw materials for the chemical-pharmaceutical industry.

This causes big losses of foreign exchange, losses of fiscal earnings, insufficient domestic production of raw materials, manipulated information on medicines to the public, greater cost and lower efficiency of the national health and social security systems, and inadequate relationship between doctors and drugstores.

The study published by the CT points out that the chemical-pharmaceutical industry exerted strong pressure on the government until 3 months ago so as to obtain preferential foreign exchange and facilities for importation of raw materials.

The study indicates that drugstore owners assert that some 20 medicine manufacturing laboratories refuse to provide the necessary products to drugstores; therefore, the latter's inventories have decreased 40 percent. During a clash between these two sectors some months ago, the medicine manufacturers withdrew credit to the country's 13,000 drugstores.

It is further said that the Mexican and worldwide chemical-pharmaceutical industry is facing common problems, which are characterized by manipulation of prices and control of the market by the large firms.

Part of the study says that this industry has grown disproportionately in Mexico. It had sales of 60 billion pesos in 1982, and provides jobs to some 60,000 workers. The noted inadequate development has been the result of

of improper purchase of technology and not adapting imported technology to the specific conditions in this country. Furthermore, our national resources are not properly exploited.

The study recommends that the government become a producer of medicines of comparable quality to that of the transnational firms, and that it gradually undertake the production of raw materials for this industry.

It suggests that the number and methods of presenting medicines be cut down, and that the elimination of ineffective and dangerous medicines be sought.

The study calls for the elimination of intermediaries in the marketing of medicines so as to cut prices.

The CT concludes that the health of the people cannot continue to depend on the whim and profit standards of transnational firms and, therefore, it is urgent that the government take action to prevent being the object of blackmail and pressures.

9925

CSO: 3248/967

BRIEFS

BANANA OUTPUT--KINGSTOWN, St. Vincent, Friday (CANA)--A banana replanting scheme aimed at improving yields as well as increasing the acreage in some areas of the island has started here, the St. Vincent Banana Growers' Association has announced. Acting field manager of industry Vibert Williams said the scheme which will run to September this year, will involve loans to farmers equivalent to 50 a mat (plants) or EC\$300 per acre, together with easier credit terms for inputs. He said: "Where we see it necessary to give direct assistance in the form of inputs rather than cost, we would make a sort of compromise." The association did not say how much it will spend on the replanting scheme [Bridgetown BARBADOS ADVOCATE in English 18 Jun 83 p 3]

TOURISM SCHEME--KINGSTOWN, St. Vincent, Friday, (CANA)--The Department of Tourism of St. Vincent and the Grenadines has identified several projects which could improve the country's tourist product. In the department's 1982 report, Director of Tourism Vera-Anne Brereton recommended a tourism product development study, the development of hotel staff training scheme, a national tourism work plan, the development of a tourist information, entertainment and crafts centre as well as the establishment of appropriate accommodation standards in the state. Miss Brereton suggested that loans be made available to develop tourist attractions and upgrade tourist accommodation. She also called for the strengthening of the existing tourism organisational structure here. Some 48 235 tourists visited St. Vincent and the Grenadines during 1982, a drop of 3.2 per cent below the 1981 figure of 49 832. The report said the decline in visitor arrivals to the islands last year was the result of worldwide economic recession, the need for improvements in the local tourist product and inadequate air services to St. Vincent and the Grenadines. [Bridgetown BARBADOS ADVOCATE in English 18 Jun 83 p 3]

CSO: 3298/740

GUILLERMO FERNANDEZ OF 26 MARCH MOVEMENT ON WORKER DEMONSTRATIONS

Havana TRABAJADORES in Spanish 19 May 83 p 4

[Report on interview with Guillermo Fernandez; date and place not specified]

[Text] The news that the Uruguayan Government authorized the celebration of May Day in that country, which for more than a decade has been shaken by one of the most brutal, pro-imperialist dictatorships on the continent, raised more than a few questions in the minds of many people. According to news dispatches datelined Montevideo more than 200,000 persons joined in the demonstrations called by the participating labor unions.

Guillermo Fernandez, representative of the 26 March Movement in Cuba, talked to us about this.

He said, "This celebration was authorized by the dictatorship to neutralize a growing popular movement and incidentally to present a democratic facade."

He then explained to us that, in addition to the reasons just given, the government has endeavored to give legal status there only to the yellow labor unions, organized in various work places, whose official leaders are reformists belonging to the traditional middle-class parties without sufficient proletarian consciousness.

"However, the existence of those labor unions is artificial since the laboring masses support the illegal National Convention of Workers [CNT]."

In addition to all this he said that the funds to help the families of the political prisoners come from voluntary contributions made at work places since the masses basically oppose the excesses of the dictatorship which continues its police terrorism, breaking into homes and arresting dozens of persons who in many cases are barbarously tortured.

Then Fernandez discussed the question as to whether the government basically permits the existence of any type of labor organization.

He explained, "The application for organizing a professional organization of workers of any particular type must be accompanied by a list of members. The government agents purge from the list the true labor union cadre and

members opposed to the current political situation prevailing in the nation. Once approved, these organizations can only exist at the level of the work place. At present, only about 50 of these labor unions are authorized."

He then said that in spite of this situation, the Uruguayan workers have reaffirmed their respect for the old, true leaders, many of whom are in prison.

As to the rumored move toward democracy on the part of the military dictatorship, he said, "There can be no move toward democracy in Uruguay without freedom for Liber Seregni, Jaime Perez, Raul Sendic and many other persons who are imprisoned."

Analyzing the question of an electoral solution to the situation, Fernandez recalled that last November the elections called by the dictatorship lacked popular credibility to such an extent that 90,000 blank ballots were cast in response to instructions given by Seregni from his jail.

He stressed, "The fundamental task now is to organize, to join together and to fight. This is the only way to successfully confront the dictatorship, the lack of freedoms, the repression by the 'military men' of the workers and the people."

As to the economic aspect of the present situation, Fernandez did not hesitate to say that while the reactionaries have been in power, they have created the distressing situation in which Uruguayans pay 50 percent more for the basic products essential for subsistence. He also pointed out that as a result of the submission to transnational interests and to the conditions imposed by the International Monetary Fund, the nation's economy is in a chaotic state.

He said, "The worst of all this is that the great burden of the crisis weighs on the shoulders of the workers whose wages are continually reduced."

Returning to the subject of the recently held May Day celebration in Montevideo, he said that the CNT and the illegal labor movement took advantage of the occasion to mount a mass demonstration and to hoist banners calling for the freedom of the 1,200 political prisoners and for the return to a true climate of rights for the workers and the people.

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CSO: 3348/477

COPEI LEADING FACTION ENDORSES CALDERA'S CANDIDACY

Caracas EL UNIVERSAL in Spanish 26 May 83 p 2-1

[Article by J.V.: "'Herrero-Pablismo' Fully Joins Caldera Campaign"]

[Text] High-level meeting with administration. They also insisted that the entire Green Party fully defend the work of Luis Herrera.

The "Herrero-Pedropablista" sector of the Social Christian Party agreed fully to join the election campaign of Rafael Caldera and also to get the party to defend the work of the administration of Luis Herrera during a high-level meeting held yesterday which was attended by several members of the executive office.

The following as a matter of fact met in the office of Labor Minister Rangel Quintero Castaneda: Education Minister Felipe Montilla; Information and Tourism Minister Guido Diaz Pena; Justice Minister Reinaldo Chalbaud Zerpa; Energy and Mining Minister Humberto Calderon Berti; and Quintero Castaneda himself, as well as Social Christian Party leaders Rafael Andres Montes de Oca, Pedro Pable Aguilar, Valmore Acevedo Amaya, Cesar Perdomo Giron, and Dnoald Ramirez, among others, to firm up the details of the new combined strategy between the party and the administration.

As EL UNIVERSAL reported on Sunday in the column by Vicente Prieto, the order issued yesterday from Miraflores by President Herrera to Pepi Montes de Oca and Pedro Pable Aguilar was "everybody follow Caldera"; this means that a large sector of the Social Christian Party, until now involved in the campaign "reluctantly and through the back door," will join "with all the other forces" in the campaign of the Social Christian Party's standard bearer in view of the need for rallying all forces to try to reduce the substantial advantage enjoyed by Lusinchi and AD [Democratic Action], on the one hand, and the "dangerous" proximity to the Social Christian Party of the MAS [Movement Toward Socialism] in the public opinion surveys.

It must be pointed out that an example of "Herrero-Pedropablista involvement in the Caldera campaign was in evidence already yesterday morning when the leader Cesar Perdomo Giron was among the special guests invited to the traditional Tuesday breakfast and press conference.

The "Herrera-Pedropablista" leaders had expressed their readiness fully to join in the Caldera campaign but they also pointed out that it was advisable for the entire party to assume full responsibility for the defense of the work of the Luis Herrera administration, as it turned out.

There was also talk about the possibility that some of the closest collaborators of the chief of state might resign their government jobs and join the campaign of the Green Party's standard bearer. However, no final conclusions were arrived at on that issue. It seems that President Herrera wants his closest aides "to start the new innings" in the administration; in other words, they should remain in office until he hands power over to his successor.

5058

CSO: 3348/435

PRO-VENEZUELA PRESIDENT FAVORS DEVALUATION

Caracas EL UNIVERSAL in Spanish 26 May 83 p 2-5 [p 2-1 ?]

[Text] This measure--he told newsmen--must be accompanied by strict foreign exchange controls to avoid superfluous imports and the departure of large volumes of capital abroad.

Pro-Venezuela President Reinaldo Cervini said yesterday that the adoption of timely measures, such as the institution of a fair and efficient devaluation, to adjust the real value of the bolivar is necessary at this time.

During a press conference, the business and industry leader noted that this measure must be accompanied by the institution of strict foreign exchange controls to prevent superfluous imports and the departure of large volumes of capital abroad.

For the advocate of the "Buy Venezuelan" Decree, it is indispensable that, "once and for all," both the private sector and the public sector comply with this legal instrument, "since there are also government enterprises which prefer to buy foreign goods rather than purchase them from domestic industry."

The complex of measures presented by Cervini as a result of a study of current recession conditions in the Venezuelan economy will be subjected to consideration by the executive branch through the Ministry of Development.

Measures of special importance include the revival of the automotive industry and the construction industry as well as the development of nontraditional exports.

"One point which we consider indispensable is the creation of mechanisms for integration with neighboring countries to promote exports and a fairer trade but these relations must not be established on the basis of the granting of loans by Venezuela," Cervini pointed out.

For the representatives of pro-Venezuela, who met with newsmen, it is urgent to redimension the government's current standing and to close or adjust enterprises in the public sector which have administrative inefficiency.

"The true situation in many government enterprises, involving the waste of foreign exchange, contributes to the collapse of the country's economy and

this, combined with the unfair competition of many foreign enterprises, helps create a dangerous situation," the president of pro-Venezuela pointed out.

He also issued a call to the community as a whole and to the sectors directly involved in the management of the national economy to have confidence in the potential of the country's natural and human resources.

"We believe that Venezuela is a superendowed nation which has not yet efficiently developed its potential and which has all of the conditions necessary to overcome the economic crisis which it is experiencing provided the necessary short-term and long-term measures are adopted," Cervini said.

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END